

# **BROXTON**

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CAPITAL ADVISORS LLC

## **1. Cover Page**

### **DISCLOSURE BROCHURE - ADV PART 2A**

## **BROXTON CAPITAL ADVISORS**

151 Calle San Francisco

Old San Juan, Puerto Rico 00901

Tel: 310-208-2151

FAX 310.208.2228

[www.broxtoncapital.com](http://www.broxtoncapital.com)

This brochure provides information about the qualifications and business practices of Broxton Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 310-208-2151.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state authority. Registration with the SEC as a Registered Investment Advisor (RIA) does not imply a certain level of skill or training.

Additional information about Broxton Capital Advisors LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

December 2019

## 2. Material Changes

The last prior update to the Broxton Capital brochure was September 2019. Since then there have been no changes.

## 3. Table of Contents

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#### 4. Advisory Business

Broxton Capital Advisors (“Broxton”) is a Registered Investment Advisor. We are investment advisors for separately managed accounts for individuals, corporations, trusts and institutions. We are located at 151 Calle San Francisco, Old San Juan, Puerto Rico 00901. The firm was started on August 1, 2005.

Broxton’s strategy is to continuously improve the value of client investment portfolios in a tax efficient manner. First, we do this by seeking out undervalued bonds and stocks and other value situations. Second, we seek to discern long-term economic or industry trends, or changes in trends, and select the bonds and stocks we believe will gain in value over the longer term, in order to minimize turnover and taxes. However, we may take positions in illiquid bonds or stocks, in line with our strategy, and thus our style may not be suitable for clients who wish to deposit and withdraw large sums frequently.

Broxton offers advisory management services of separate accounts on a discretionary basis. These personalized services start with an initial interview and data gathering to determine your financial situation and investment objectives. The minimum investment for new accounts is \$100,000. Broxton also sub advises for Investment Advisors and provides a model of its’ investment strategy to one advisor.

Broxton currently has \$62,088,436 of assets under management “AUM” (December 2019) of which approximately 96.95% is discretionary (\$60,190,583) and 3.05% (\$1,897,853) is non-discretionary. Broxton also currently has \$22,951,657 of assets under advisement, “AUA.”

**Robert Allen Cooke** is the principal owner of Broxton and serves as Managing Partner and Portfolio Manager. Allen Cooke has over twenty years of experience as a research analyst and bond trader serving individuals and institutions.

#### 5. Fees and Compensation

Broxton’s fees for advisory management services are 2% per year, subject to negotiation, based on a percentage of assets under management. These fees are for Broxton’s advisory services only, and do not include any administrative fees or transaction costs that may be charged by broker-dealers or custodians. Please be aware that lower fees for comparable services may be available from other sources.

Advisory management fees are payable on the first business day of each quarter, in advance. The first payment is due upon your execution of our client agreement and funding. Fees will be assessed pro-rata if the agreement is executed in the middle of a calendar quarter or additional deposits are made. Subsequent payments are calculated on the first day of each calendar quarter, based on the value of your account assets under management on the last business day of the preceding quarter.

In our client agreement, you authorize your custodian to deduct advisory fees directly from your managed account, in accordance with the fee billings prepared and submitted to your custodian by Broxton. These will be reported in your account statements from your custodian.

You may terminate the advisory agreement without penalty within five (5) business days of signature and receive a full refund of all fees. After that date, the advisory agreement will continue until either party terminates by giving thirty (30) calendar days' written notice. If termination occurs before the end of the calendar quarter, a pro-rata refund of unearned fees will be made. Finally, upon termination, all assets will be held by the custodian and it will be your responsibility to instruct the custodian as to the final disposition of your assets, unless you specifically notify Broxton to liquidate or take other action.

Broxton Acts as a sub advisor or co advisor with other Investment Advisors. In these instances, Broxton reaches a fee sharing agreement with the other Advisors. Broxton may in the future act as a solicitor or contractor for other Investment vehicles, Advisors or Funds. As of May 16, 2017, Broxton does not act as a solicitor or contractor for other investment vehicles. As such cases may occur Broxton will provide full disclosure of the relationship and the contract or agreement with the fund or advisor to the client. If Broxton is receiving compensation for the referral Broxton would not charge or impose additional fees on the monies allocated or invested and the advisor or fund creates an independent relationship with the client. Investors should consider the fact that Broxton would be compensated if these referrals are made. Broxton receives fees from one Advisor for providing a model portfolio based on Broxton's recommendations.

## **6. Performance Based Fees**

Not applicable currently.

## **7. Types of Clients**

We at Broxton provide investment advisory management services to other Advisors, individuals, families, corporations, partnerships, pension plans, retirement plans, trusts, estates, charitable organizations and institutions.

Broxton requires a minimum size of \$100,000 for new discretionary accounts. We may accept accounts of lesser value, at our discretion, if they are included as part of a group of accounts from a single corporation or large firm, or other circumstances. Also, we may accept clients with some restrictions on accounts, such as social investment restrictions or maintaining a position in selected stocks or bonds. We have some older non-discretionary accounts. However, we do not accept new non-discretionary, client directed accounts.

Our longer-term management style may include illiquid or not readily marketable positions and thus our management style may not be suitable for clients who make frequent large deposits and withdrawals.

## 8. Methods of Analysis

The Alpha Portfolio (AP) is a growth and income investment strategy. The strategy attempts to continuously improve the value of investment portfolios by investing in equities, ETFs, including leveraged ETFs, options, bonds (investment grade and sub-investment grade, [which may also have limited liquidity]) and other securities. Long term strategies purchase securities which are underpriced according to our appraisal methodologies. Broxton uses regression analysis to obtain an average appraisal value for an individual company and places a priority on the securities of companies with improving financial performance and or additional catalysts that provide for increases in earnings and valuation. We use financial modeling in order to create a projected trajectory for the company's earnings, cash flows and future value. The strategy does not have any capitalization (market size), sector or industry allocation mandates. Broxton may also engage in certain types of activism in order to support positions and relay advantageous strategies to company managements. Broxton deploys technical analysis and momentum as indicators of movement for shorter term strategies, that may not involve deep fundamental analysis. Shorting (selling and then buying) of securities can be used as a long term or short-term strategy. We exit positions in accordance with our discipline, this includes when valuation targets are clearly exceeded or financial performance falls below our projections.

Since the AP returns are calculated using a composite of accounts, the average account will not match the composite return and the return could be higher or lower. Broxton manages the Alpha Portfolio for other investment managers. The AP returns which are advertised or submitted to various databases are calculated using the accounts in the composite that are managed internally. Broxton is required to execute any trades internally first and then for other advisors second. Some advisor platforms prohibit or do not trade certain security types and some positions may be omitted for other reasons. In the case of smaller companies, we may judge that there are not enough shares traded to create a position at any or all advisors. Short term strategies may not be able to be implemented. Shares may trade at a higher or lower between purchasing at Broxton or one platform before another. Broxton uses a rotation strategy and attempts to obtain the best execution for all advisors.

Stocks, bonds and other potential candidates are valued using various appraisal methods. We use fundamental analysis such as: operating income before discretionary Capital expenditure, cash flow analysis, comparable asset valuations and other techniques. We use technical analysis to refine a potential candidate in terms of when to buy, looking at current market conditions. On the flip side, many of the same techniques are used to determine when to sell existing positions or short positions.

Keep in mind, investing in securities involves a risk of loss which you, as a client, should be prepared to bear. Our primary strategy at Broxton is to seek out undervalued bonds and equities and other value situations and hold them over the long term for tax efficiencies. Undervalued securities may take several quarters, or years, to show improvement. Since this strategy sometimes involves "out of favor" industries or companies the overall sentiment of the security may be negative. This strategy sometimes involves the purchase of securities that have issuers who are in



bankruptcy or close to bankruptcy. Broxton will also evaluate companies that are growing at an above average rate which may translate into lower ratios at a future date. Broxton considers these prospects to be undervalued if our analysis shows that the future multiples will be below average due to such growth. In addition, we may seek to short securities (sell them without owning them with the objective of buying them back at a later date for a cheaper price) which we believe are overvalued using our general appraisal methods. In general, our strategies is not correlated with the general market and may underperform or outperform these indexes over any given period of time. Investors should give a time horizon of at least 3 to 5 years for investing with Broxton.

A potential material risk is that we are early, and the candidates purchased continue to lose value before turning up, or do not turn around (improve financially as expected) and continue to decline in value which may result in a permanent loss. In the case of shorting securities, they may rise or continue to rise. Securities can continue to rise indefinitely and if shares are shorted your account may lose value. Also, we may invest a portion of your monies in illiquid or not readily marketable bonds or equities. A potential material risk is that market conditions could deteriorate, and we would have difficulty selling an existing position, in whole or in part.

In addition to our primary strategy we may also seek capital gains in time periods as small as one day, or up to many months, by buying or shorting securities. This strategy seeks to take advantage of short-term dislocations in markets based on our research and short-term volatility in candidate securities. Short term volatility can be caused by under reactions and over reactions to news, earnings or other events such as flash crashes and may present opportunities. This strategy can involve additional commissions, higher taxation or and carry the risk of short-term loss which would be unrecoverable if the trade is exited at a loss. To minimize risk, we monitor portfolio positions regularly and may increase, reduce or eliminate positions based on favorable or unfavorable conditions of the specific company, industry, markets or other factors including general economic or political factors. Legal regulation and Custodial rules determine if shorting or buying options are available for each account. Some accounts, such as trust or retirement accounts are ineligible for margin or shorting, and these accounts will not be able to participate in shorting, or trading in some or all options, or some or all option strategies. For further information please contact Broxton Capital.

Also, we may seek capital gains or to hedge the general market or certain securities by using stock options, ETFs (exchange traded funds) reverse ETF's and leveraged ETFs. Such securities may involve additional risks and volatility and could cause losses in your portfolio. These types of securities can be allocated to your portfolio, to create capital gains, minimize losses, protect gains, reduce volatility or receive more favorable tax treatment for you.

We do not seek to equally weight portfolios by sector, rating, security type or other methods. We seek value across many areas. Initial individual positions are usually, but not restricted to, 5%-10% of a portfolio's total value. We tend to hold concentrated portfolios and do not try to broadly diversify investments. Thus, the risk of loss will be higher than would be the case with a diversified portfolio due to the possibility that the investments will experience losses greater than the market as a whole.

All the above strategies involve risk of loss and may cause the generation of additional commissions or fees. The objective is to create gains for the portfolios. There is no assurance that future investments will be profitable. Any prior successful analysis and investment management cannot be relied upon as assuring further successful performance.

## **9. Disciplinary Information**

Broxton Capital Advisors LLC has not been the subject of any legal claims or disciplinary events.

## **10. Other Financial Industry Activities and Information**

Broxton receives compensation from other investment advisors for providing sub-advisor services, joint advisory, securities research and model portfolios. The Alpha Portfolio is described above. Broxton uses the Strategy to directly manage internal accounts and when providing models to other advisors.

- The model utilized internally is implemented on an account by account basis and is referred to as the Alpha Portfolio (AP).

The total return for the Alpha Portfolio, each model and the accounts that Broxton manages directly will differ. The implementation of the model by each advisor will result in differences from the model itself and model performance due to the rotation strategy and timing of sales and purchases by the advisor implementing the model. The AP returns which are advertised or submitted to various databases are calculated using the accounts that are managed by the internal model. The AP for Advisors returns which are advertised or submitted to various databases are calculated using just the model itself and do not represent any return from any account. Broxton uses a rotation strategy which transmits changes in the AP for Advisors to each advisor in order of first to last with the first name being rotated to the last after each trade is completed.

Since the AP returns are calculated using a composite of accounts, the average account will not match the composite return and the return could be higher or lower. Broxton manages the Alpha Portfolio for other investment managers. The AP returns which are advertised or submitted to various databases are calculated using the accounts in the composite that are managed internally. Broxton is required to execute any trades internally first and then for other advisors second. Some advisor platforms prohibit or do not trade certain security types and some positions may be omitted for other reasons. In the case of smaller companies, we may judge that there are not enough shares traded to create a position at any or all advisors. Short term strategies may not be able to be implemented. Shares may trade at a higher or lower between purchasing at Broxton or one platform

before another. Broxton uses a rotation strategy and attempts to obtain the best execution for all advisors. As compensation for providing model portfolios and securities research, Broxton receives a percentage of the fee as compensation.

Please inquire with your advisor or Broxton Capital for further information on the models provided by Broxton. For joint advisory agreements, Broxton pays a percentage of the fee to the joint advisor. Generally, in these agreements Broxton will receive 50% or less of the total fee. Mr. Cooke lives in Puerto Rico and works from the companies' offices in San Juan. Mr. Cooke has a personal and business relationship with Howard Deshong of Galileo Partners. Mr. Deshong also acts as a lender and has loaned funds to Mr. Cooke and other entities in the course of his business. Broxton also advises an account for one of Mr. Deshong's Trusts. Due to the nature of the relationship there is a potential for a conflict and further disclosure is available.

## **11. Code of Ethics, Personal Trading and Participation in Client Accounts**

(1) Code of Ethics: We at Broxton maintain a Code of Ethics which guides us in our conduct. We have a fiduciary duty to you with respect to the advice and management services we provide and the need to protect client related private information. We have an affirmative duty of care, honesty and good faith to act in your best interests. We each have a duty to report violation of the Ethics Code, and can be punished or terminated for violations. Robert Allen Cooke, Managing Partner, supervises and maintains records in this area. A copy of our Ethics Code is available upon request.

(2) Personal Trading: Certain inherent conflicts of interest are likely to arise as a result of Broxton, its managing partner and affiliated persons carrying on similar investment activities both for themselves and for their clients. Broxton, its managers and employees may take positions in the same securities as clients and we will try to avoid any conflicts with you. To address this potential conflict, affiliated persons, employees and their families primarily invest side by side with client accounts through Broxton. We may not trade in a manner inconsistent with Broxton's buy or sell actions for clients.

However, incidental trades in personal accounts not deemed to be a conflict, such as a buy or sell which is minimal in relation to the total outstanding value, and would have negligible effect on the market price, would not be restricted if the person or firm has an existing position. Trading in personal accounts will be reviewed monthly, or more frequently depending upon the circumstances, by Allen Cooke, Managing Partner.

(3) Participation in Client Accounts: Broxton, its managers and employees may not participate in client accounts. However, Broxton, its managers and employees may invest in and recommend you invest in initial public offerings or private placements. In the event one of us has an ownership position or a material relationship with the private company seeking financing or going public, that information will be disclosed in writing to you in advance with full disclosure of all details.

## 12. Brokerage Practices

Broxton's investment advisory services are conducted through Schwab Institutional, a division of Charles Schwab & Company, Inc., who also acts as Custodian of our client accounts. Schwab is also a broker dealer. Broxton may use other broker dealers at its discretion.

Schwab Institutional provides us with access to its institutional trading and custody services which are typically not available to retail investors. These services are available to investment advisors on an unsolicited basis, at no charge, so long as a total of at least \$10 million or our client assets are maintained in accounts at Schwab. You and all other clients share equally in any cost savings or services rendered.

Schwab Institutional, as the Custodian of your portfolio assets provides pricing, sends you confirmations of buys and sells, sends you statements on at least a quarterly basis, and year-end tax reporting. Schwab charges transaction and administrative fees for these services which are billed directly to you. Those fees are separate and in addition to Broxton's advisory fees.

These custodial and broker dealer services are reviewed to insure best overall execution based on a number of factors, including price, technology platform and service, ability to assist with illiquid or less frequently traded issues, and the custodian's compliance with government mandates for periodic regulatory and surveillance reports, for your protection.

We may direct trades to a particular broker dealer, from time-to-time, when deemed advisable to acquire a particular position, but it is not our policy to do so on a regular basis. Directed broker transactions may be costlier for you and may cause us not to obtain the most favorable execution of a trade.

We may aggregate orders and execute block trades when there are a number of clients using the same broker dealer for the same security transaction, and subject to the ability of the broker dealer to accept block trades. Schwab Institutional accepts block trades and does this regularly for us. Individual advice, treatment and sharing of costs at an average share price will be accorded to you as if the trade had been entered on an individual basis. We will notify the custodian of the size of each trade for each separate account.

Position shares will be allocated for each account as a percentage of the total account value. We execute all trades at substantially the same time for all client accounts and the accounts are allocated the securities at the same average cost. If we are not able to obtain all shares on a particular day, we will allocate shares by Account Number from Smallest to Largest until we fill all allocations. The next time this occurs we will allocate shares by Account Number from Largest to Smallest.

## 13. Review of Accounts

Our investment management services include the continuous review of underlying positions. Comprehensive reviews are made on a monthly basis at the close of each month, after broker dealer statements have been issued to you and us. The client account reviews are to determine accuracy, performance, position size, exposure and what action, if any, is needed and timely.

Other than periodic reviews, we will perform an in-depth review of client account positions and exposure in the event of a major company specific, economic or other major event. The principal reviewer is Robert Allen Cooke, our Portfolio Manager. He is assisted by Brian Stead. Robert Allen Cooke also performs a written quarterly review of the firm's activities that includes a random review of selected accounts.

We remind you that you are advised to review your accounts regularly and carefully for accuracy and understanding. Please let us know if you have any questions or concerns. You will receive a confirmation of each transaction we do on your behalf, and standard account statements, at least quarterly, from your custodian or broker dealer.

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

Broxton compensates internal and external affiliates for client referrals. Sales representatives and or Solicitors will receive a portion of our management fee in compensation for any referrals. Compensation is negotiated individually with each solicitor. All solicitor agreements are in compliance with applicable federal and state laws.

All clients sent to us by solicitors will be given a written disclosure describing the relationship between the solicitor and us prior to or at the time of signing our advisor agreement. All Clients sent to us by solicitors will be presented a Solicitor Disclosure Statement and our Disclosure Brochure Form ADV Part 2A, and acknowledge receipt of same. A list of all sales Representatives, employees and Solicitors is provided on the Broxton Capital web site. As of May 2017, the following personnel are compensated for referrals and sales as employees and or Sales Representatives: Gary Pearl, Mark Harris, Max Pearl & Al Knobloch. Mr. Knobloch has a separate investment advisory; H.K. Wealth Management.

Broxton does not have co-ownership with any other investment advisory or firm. Broxton does not approve or endorse any other Investment Advisor Firms. Clients who are directly sub advised by Broxton will receive statements regarding fees and returns. Clients can inquire directly with Broxton or their advisor for further information. Broxton is not responsible for separate investment advice given by other advisors. Broxton is not responsible for Solicitor activity that falls outside of Broxton Capital. Further, references to other Investment Advisors or Representatives does not constitute an endorsement by Broxton of the parties or businesses, nor do they necessarily indicate any affiliation between us and such parties or businesses.

Broxton may provide consulting services on an hourly or fixed fee basis to individuals or companies based on its research and analysis capabilities. We have not received compensation from these types of services in the past year.

## **15. Custody**

Broxton does not have custody of client funds or assets. We are given discretionary investment authority by you in our agreement for services. Schwab is your broker dealer and custodian of your account assets. They send you your trade confirmations, statements at least on a quarterly basis showing positions held, and year-end tax reporting information.

We recommend you review your statements for accuracy and to understand what you are holding, and to contact us if you have any questions or concerns.

## **16. Investment Discretion**

Broxton has discretionary authority over your account in accordance with the client agreement you signed with us. Discretionary authority means selecting which securities to be purchased or sold and the amount of such securities will be guided by our research, and action will be taken without specific prior consultation with you. This is subject to any reasonable written restrictions that you may have placed on types of securities in your account and agreed to by us. Clients have the option to place limitations on discretion, such as requesting contact by Broxton Capital prior to execution of a trade.

## **17. Voting Client Securities**

Broxton does not vote proxies for separately managed accounts; proxies are delivered directly to you by the custodian, and you are responsible for issuer and issuer-related communications such as proxies, etc. However, we need to be notified of corporate reorganization types of events in order to protect your interests. To do this we request you use the Schwab supplemental form Issuer Communications and Release of Information and appoint Broxton for corporate reorganization events only; and that you will receive all other communications from companies in your portfolio, and thus you are responsible for replying.

We may provide you clarification if you have questions regarding these communications, including proxies, or if you need assistance in replying. We will not tell you how to vote.

## 18. Financial Information

We at Broxton are unaware of any financial condition that might impair our ability to meet our contractual commitments to you or any client.

Broxton does not require or solicit prepayment of more than \$500 in fees per *client*, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

No Management persons have been the subject of a bankruptcy petition at any time during the past ten years.

## 19. Requirements for State Registered Advisors

### A. Principal Executive Officers and Management Persons

Broxton Capital Advisors has one Portfolio Manager, R. Allen Cooke Jr., and one Senior Advisor Brian “Byron” Stead.

#### Robert Allen Cooke

Robert Allen Cooke is the Managing Partner and Portfolio Manager of Broxton Capital Advisors, LLC. He heads Broxton and its research efforts. Allen Cooke has over twenty-five years of experience serving institutional and individual clients in the securities industry. His history includes complex analysis and preparation of research reports on individual companies, and analysis of economic trends affecting markets and industries.

Allen Cooke was born in 1968. He graduated from the University of Arizona in 1991 with a BA degree in History/Political Science. He has passed the following exams: Series 7 General Securities Representative, Series 65 Investment Advisor and Series 86 and 87 Research Analyst.

#### History

Broxton Capitol Advisors LLC, Managing Partner and Portfolio Manager, August 2005 to present.  
National Alliance Securities, Registered Representative, March 2007 to June 2011.

Western International Securities, Inc, research analyst, bond trader and client advisor, February 2002 to July 2005.

#### Brian “Byron” Stead

Mr. Stead is the Senior Advisor of Broxton Capital Advisors. He has over twenty years of experience serving institutional and individual clients. His clientele as a bond trader included some of the most well-known companies in the mutual fund and hedge fund industry. His financial history and educational background include analysis in macro-economics, mathematics, individual company analysis and bankruptcy reorganization. Before Broxton Capital Advisors, Brian was Morgan Stanley and Merrill Lynch in London. Brian brings his analytical skill-set to analyze companies and navigate ever changing economic environments. Mr. Stead has a B.A. from University of Michigan in Financial Economics and Mathematics. Mr. Stead has passed the following exams: Series 65 and Series 7.

## History

Broxton Capital Advisors LLC 01/2013-Present

Retired 10/2009 -01/2013

Broxton Capital Advisors LLC, Senior Advisor, January 2006 - Oct 2009

National Alliance Securities, Registered Representative March 2007 - Oct 2009

Western International Securities, Inc., Institutional Bond Trader, April 2002 - December 2005

First Allied Securities 02/2001- 04/2002

InterfirstCapital 04/2001 - 02/2002

Dean Witter Reynolds 09/1998 – 03/2001

Merrill Lynch 06/1998 - 09/1998

University of Michigan 08/1992 - 08/1998

Smith Barney 06/1997 - 09/1997

## **B. Other Businesses**

Statement of CCR Section 260.238 (k) Compliance. Additional Material Conflicts:

All material conflicts of interest are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. San Juan Incubators performs consulting for development stage companies. Mr. Cooke and Mr. Stead spend between 1 and 3 hours a week working with various companies and receive compensation.

## **C. Performance based Fees and calculations**

Broxton does not currently charge performance fees.

## **D. Material Disciplinary Disclosures**

Broxton does not currently have any disciplinary disclosures.

## **E. Material Relationships Management Persons Have with Issuers of Securities**

No such relationships exist at this time.



## **BROXTON**

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CAPITAL ADVISORS LLC

ADV PART 2B - Brochure Supplement

### **BROXTON CAPITAL ADVISORS, LLC**

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Old San Juan, Puerto Rico 00901  
Tele: 310-208-2151  
FAX 310-208-2228  
[www.broxtontcapital.com](http://www.broxtontcapital.com)

This brochure supplement provides information about Broxton's supervised persons:

Robert Allen Cooke ("Allen")

Brian Stead ("Byron")

Bob Cooke Snr. ("Bob")

This information supplements the Broxton Capital Advisors LLC brochure about the above named individuals. You should have received a copy of that brochure. Please contact Mr. Allen Cooke at telephone 310-208-2151 if you did not receive Broxton's Disclosure Brochure, or if you have any questions about the contents of this supplement.

Additional information about Broxton Capital Advisors LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

December 2019

## I. Educational Background and Business Experience

### 1. Robert Allen Cooke

Robert Allen Cooke is the Managing Partner and Portfolio Manager of Broxton Capital Advisors, LLC. He heads Broxton and its research efforts. Allen Cooke has over twenty-five years of experience serving institutional and individual clients in the securities industry. His history includes complex analysis and preparation of research reports on individual companies, and analysis of economic trends affecting markets and industries.

Allen Cooke was born in 1968. He graduated from the University of Arizona in 1991 with a BA degree in History/Political Science. He has passed the following exams: Series 7 General Securities Representative, Series 65 Investment Advisor and Series 86 and 87 Research Analyst.

#### History

Broxton Capital Advisors LLC, Managing Partner and Portfolio Manager, 08/2005 to present  
National Alliance Securities, Registered Representative, 03/2007-06/2011  
Western International Securities, Inc, research analyst, bond trader, and client advisor, 02/2002 -07/2005

### 2. Brian “Byron” Stead

Mr. Stead has over twenty years of experience serving institutional and individual clients. His clientele as a bond trader included some of the most well-known companies in the mutual fund and hedge fund industry. His financial history and educational background include analysis in macro-economics, mathematics, individual company analysis and bankruptcy reorganization. Before Broxton Capital Advisors, Brian was associated with Morgan Stanley and Merrill Lynch in London. Brian brings his analytical skill-set to analyze companies and navigate ever changing economic environments. Mr. Stead has a B.A. from University of Michigan in Financial Economics and Mathematics. Mr. Stead has passed the following exams: Series 65 and Series 7.

#### History

Broxton Capital Advisors LLC 01/2013-Present  
Retired 10/2009 -01/2013  
Broxton Capital Advisors LLC, Senior Advisor, 01/2006-10/2009  
National Alliance Securities, Registered Representative 03/2007-10/2009  
Western International Securities, Inc, Institutional Bond Trader, 04/2002-12/2005  
First Allied Securities 02/2001- 04/2002  
Interfirst Capital 04/2001-02/2002  
Dean Witter Reynolds 09/1998-03/2001  
Merrill Lynch 06/1998-09/1998  
University of Michigan 08/1992-08/1998  
Smith Barney 06/1997-09/1997

Bob Cooke Snr.

Mr. Cooke (SNR.), a Managing Partner of Broxton Capital Advisors has over forty years serving clients in fixed income and equity strategies. He was a Municipal Bond specialist at Drexel Burnham and a fixed income managing director at Imperial Capital. Bob brings his deep knowledge of fixed income markets. Mr. Cooke has passed the series 65 and Series 7 exams. He has a B.A. in business from the University of Arizona.

#### History

Broxton Capital Advisors LLC 01/2019-Present  
Hudson Cooper Asset Management 10/2011- Present  
BMA Securities 2/2014-7/2014 10/2013-7/2014  
National Alliance Securities 02/2010-10/2011  
Western International Securities 03/2006-04/2008  
UBS Financial 01/2000-3/2006  
Imperial Capital 11/1997-1/2000  
Dabney Resnick/Imperial 1/1993-12/1997  
Smith Barney 6/1990-1/1993  
Sutro & Co. 5/1988-6/1990

## II. Disciplinary Information

1. Broxton Capital Advisors LLC has not been the subject of any legal claims or disciplinary events since inception in 2005.

## III. Other Business Activities

Broxton receives compensation from other investment advisors for providing, sub advisor services, joint advisory, securities research and model portfolios. The Model Portfolios, including the primary Broxton Strategy, are provided in a manner consistent with the Institutional Management firm's mandates. As a sub advisor Broxton charges a percentage of the fee directly to the sub advised account in accordance with its' billing practices. As compensation for providing model portfolios and securities research, Broxton receives a percentage of the fee as compensation. For joint advisory agreements Broxton pays a percentage of the fee to the joint advisor. Generally, in these agreements Broxton will receive 50% or less of the total fee. San Juan Incubators performs consulting for development stage companies. Mr. Cooke and Mr. Stead spend between 1 and 3 hours a week working with various companies and receive compensation.

## IV. Additional Compensation

San Juan Incubators

## V. Supervision

Robert Allen Cooke, Managing Partner, is responsible for supervising the advisory activities of those at Broxton. He has established standards of conduct and written procedures for managers and employees. He is also Portfolio manager and monitors the advice given to clients by selecting the securities comprising account holdings, by reviewing monthly client statements, and by conducting quarterly reviews of firm activities. Allen Cooke can be contacted at telephone (310) 208-2151 and FAX (310) 208-2228.

## **BROXTON CAPITAL ADVISORS, LLC** **PRIVACY POLICY**

This Privacy Policy describes the types of non-public personal information (“Information”) we may collect about you, the purposes for which we use the information, the circumstances in which we may share the information, and the steps we take to safeguard the information to protect your privacy. Broxton Capital Advisors, LLC (“Broxton”) is committed to maintaining the trust that you place in us and we recognize the importance of protecting your information.

The information we collect about you is primarily obtained from your account applications and other forms and materials you submit to Broxton during the course of your relationship with us. We may also collect information about the transactions and interactions you engage in with or through Broxton. In addition, we may verify information or obtain additional information about you from consumer reporting agencies or other sources. The information we collect about you would include, but not limited to: your name, address and other contact information, date of birth, occupation, marital status, sources of wealth, investment experience and objectives, risk tolerance, representations about your financial resources, specific identifying information as may be required by law and regulations addressing money laundering, terrorism and related matters, as applicable, your passport, driver’s license or other governmental information, and social security number or tax payer identification. Broxton does not sell customer lists, names or other identifying information.

We do not share information about you outside of Broxton without your consent except for the specific purposes described below, in accordance with applicable laws. We may disclose information we collect from you to companies or third parties that perform support services for Broxton or your account, such as facilitating your transactions with or thorough Broxton, including those that provide custody of client funds and securities, professional, legal or accounting services, audit or research services, computer related or data maintenance or processing services, or for

credit review or reporting services. We may disclose your personal information as permitted or required by law or regulation. Non-affiliated companies that assist Broxton in providing services to you are required to maintain the confidentiality of such information to the extent they receive it, and to use your information only for the purpose of providing such services.

Broxton limits access to your information to authorized Broxton employees and representatives acting on your behalf. Broxton also maintains physical, electronic and procedural safeguards designed to comply with applicable laws and protect against loss, modifications, and unauthorized access to your information. Broxton updates and tests our technology to improve the protection of customer information. Your account is held by Charles Schwab and Company, Inc. as custodian for you, and Broxton acts as investment advisor on the account. You may access account information on the Schwab website. Please refer to their Privacy Policy also to obtain disclosures on how Schwab protects your personal information.

If your financial advisor terminates his or her relationship with Broxton and moves to another broker dealer or investment advisor, we or your financial advisor may disclose personal information to the new financial institution unless you instruct us not to. If you choose to not move your account to the new financial institution you may request that Broxton limit the information shared with the new financial institution. You can withdraw your consent at any time by contacting Broxton.

Broxton reserves the right to change this Privacy Policy at any time to reflect changes in our practices concerning the collection and use of information. If there are material changes to this Privacy Policy, we will notify you in writing or by electronic means. If you require additional information, please contact us at 310-208-2151.

## **BUSINESS CONTINUITY PLAN DISCLOSURE**

Broxton Capital Advisors, LLC, is committed to safeguarding the interests of our clients in the event of an emergency or a significant business disruption. This Business Continuity Plan Disclosure (“DCP”) summarizes Broxton’s effort to mitigate risks inherent with unforeseen business disruptions. It is designed to enable us to meet our existing obligations to you in the event of an emergency or significant business disruption. An electronic copy of our plan is stored on our storage drive and backed up off site.

### **Emergency Contact Persons**

BROXTON’S emergency contact persons are:

**Allen Cooke, Chief Compliance Officer**

E-mail: [allen@broxtoncapital.com](mailto:allen@broxtoncapital.com)

Phone number: 310.208.2151

Cell: 310.279.3338

Home phone: 310.284.5771

**Byron Stead**

E-mail: [byron@broxtoncapital.com](mailto:byron@broxtoncapital.com)

Palm Desert Phone number: 760.360.1205

In the event that none of these people can be reached in the case of disaster, please contact Schwab directly for information regarding your accounts, or visit a local Schwab branch.

**Charles Schwab & Co**

P.O. Box 982603

El Paso, TX 79998-2603

800-515-2157

[www.schwab.com](http://www.schwab.com)

**For branch location information see:**

<https://client.schwab.com/Public/BranchLocator/AccessSchwab.aspx>

### **Business Description**

Broxton is a registered investment advisor, providing advisory services using fundamental and technical analysis with the goal of absolute return. We use Schwab Institutional as our custodian. Clients can contact Schwab Alliance (which handles institutional customers) at 800.515.2157, or go to [www.schwaballiance.com](http://www.schwaballiance.com).

## Office Locations

BCA is located at the following locations:

39497 Newcastle Dr  
Palm Desert, California, 92211

151 Calle San Francisco  
Old San Juan, PR 00901

310.208.2151 Phone  
310.208.2228 Fax

## Firm Policy

Broxton's policy is to respond to a Significant Business Disruption (“SBD”) by (1) safeguarding employees’ lives and firm property, (2) making a financial and operational assessment, (3) quickly recovering and resuming operations, (4) protecting all of the firm’s books and records, and (5) allowing our customers to resume transacting business. In the event that we determine we are unable to continue our business, you are instructed to access Schwab directly by telephone or internet.

Our plan anticipates the possible loss of location or personnel. In the case of loss of our main office location, the company could resume operations with the backup files held with Mr. Cooke and Mr. Stead at a third location, depending on computer access. We will be able to access our stored data or Schwab’s stored data. Access to Schwab would not be disrupted. If Broxton’s local facilities are completely disrupted, clients are instructed to contact Schwab directly for assistance. In the event of loss of personnel, other staff personnel will assume their responsibilities. You will be notified of the change.

The following is Schwab’s Business Continuity Plan:

Securities industry regulations require that brokerage firms inform their clients of their plans to address the possibility of a business disruption that potentially results from power outages, natural disasters, or other events. Charles Schwab & Co., Inc. has a comprehensive business continuity program in place, which we review, update and test on a regular basis. The plan provides for continuation of client service within minutes in most cases.

Here are a few examples of what might occur if we were to experience a business disruption of varying magnitude:

- If one of our telephone service centers were to become unavailable for any reason, we would re-route calls to our other service centers across the country.

- In the event that our primary data center became unavailable for any reason, we would transition to a separate back-up location. Our data centers are on separate power grids, separate flood plains and fault lines, and within different transportation networks. Account access would be made available through the back-up location.
- If we had a power outage in a particular region or business district, we would re-route telephone and electronic communications to alternate locations for the duration of the outage.
- In the event of a public health crisis that resulted in a high rate of employee absenteeism, we would enact a workforce continuity plan that includes social distancing and other policies to limit exposure, and also focus available personnel on critical business functions that directly support client needs.

While no contingency plan can eliminate all risk of service interruption or temporarily impeded account access, we continually assess and update our plans to mitigate all reasonable risk.

## **Data Back-Up and Recovery (Hard Copy and Electronic)**

Broxton maintains its primary hard copy books and records and its electronic records at our main office address at 151 Calle San Francisco, Old San Juan, Puerto Rico 00901. Allen Cooke, Chief Compliance Officer, is responsible for the maintenance of these books and records. Mr. Cooke also maintains backup storage data offsite.

In the event of a Significant Business Disruption (“SBD”), we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include voice mail or posting a message to client advisory web site home pages or through Charles Schwab & Company. In addition, we will retrieve originals or backup copies of our key activity records. This will allow for client servicing of orders and other requirements.

Schwab represents that it backs up our records at a remote site. Schwab represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Schwab has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing, which it performs on a regular basis.

## **VI. Updates and Annual Review**

Broxton’s comprehensive business continuity strategy is designed to enable us to meet our existing obligations to you in the event of an emergency or significant business disruption; however it is not infallible. The plan is designed to work in many different emergency situations, but these events are by their nature, unpredictable and it is impossible to anticipate every scenario that could cause a business disruption. We will review this plan annually, to modify it for any changes in our operations, structure, business, or location, or those of our Schwab. In addition, Broxton will update this Business Continuity Plan whenever we have a material change in operations.



## Senior Manager Approval

I have reviewed and approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to customers in the event of a significant business disruption.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: December 31, 2018