

## **Firm Brochure**

(Part 2A of Form ADV)

**Harris Harper Counsel Inc.**

**7327 Fyxe Run**

**Roanoke IN 46783-9328**

**765-277-1710**

**[www.harfam.org](http://www.harfam.org)**

**[hhc@harfam.org](mailto:hhc@harfam.org)**

This brochure provides information about the qualifications and business practices of Harris Harper Counsel Inc. If you have any questions about the contents of this brochure, please contact us at: 765-277-1710, or by email at: [hhc@harfam.org](mailto:hhc@harfam.org). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Harris Harper Counsel Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

12/19/2019

## **Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 765-277-1710 or by email at: [hhc@harfam.org](mailto:hhc@harfam.org).

# Table of Contents

|   |   |
|---|---|
| Advisory Business .....   | 1 |
| Firm Description .....  | 1 |
| Principal Owners .....  | 1 |
| Types of Advisory Services.....                                   | 1 |
| Types of Agreements.....  | 1 |
| Advisory Service Agreement .....                                  | 2 |
| Asset Management.....   | 2 |
| Termination of Agreement.....                                     | 2 |
| Fees and Compensation .....                                       | 3 |
| Description.....  | 3 |
| Types of Clients .....  | 3 |
| Description.....  | 3 |
| Account Minimums .....  | 3 |
| Methods of Analysis, Investment Strategies and Risk of Loss ..... | 3 |
| Methods of Analysis.....  | 3 |
| Investment Strategies.....  | 3 |
| Risk of Loss .....  | 4 |
| Disciplinary Information .....                                    | 5 |
| Legal and Disciplinary .....                                      | 5 |
| Other Financial Industry Activities and Affiliations .....        | 5 |
| Financial Industry Activities .....                               | 5 |
| Review of Accounts .....  | 5 |
| Periodic Reviews and Reports .....                                | 5 |
| Client Referrals and Other Compensation.....                      | 5 |
| Incoming Referrals .....  | 5 |
| Referrals Out .....   | 6 |
| Custody .....   | 6 |
| Account Statements .....  | 6 |
| Investment Discretion .....                                       | 6 |
| Discretionary Authority for Trading .....                         | 6 |
| Voting Client Securities.....                                     | 6 |
| Proxy Votes .....   | 6 |
| Financial Information .....                                       | 6 |
| Financial Condition .....   | 6 |
| Information Security Program.....                                 | 7 |
| Privacy Notice.....   | 7 |
| Brochure Supplement (Part 2B of Form ADV).....                    | 8 |
| Mark W. Harris, CERTIFICATIONS .....                              | 8 |

# Advisory Business

## Firm Description

Harris Harper Counsel Inc. (the firm) was founded in 1987.

Harris Harper Counsel Inc. provides personalized confidential investment management advice to individuals, partnerships, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, and investment management.

Harris Harper Counsel Inc. is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Harris Harper Counsel Inc does not act as a custodian of client assets. The client always maintains asset control.

A written evaluation of each client's initial situation is provided to the the firm, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the firm unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management advice may be beneficial to the client.

## Principal Owners

Mark W. Harris is a 100% stockholder.

## Types of Advisory Services

Harris Harper Counsel Inc. furnishes investment advice through consultations.

As of December 31, 2018, Harris Harper Counsel Inc. manages approximately \$21 Million in assets for the Cedar Fund, a registered Indiana limited Partnership that consists of at least 36 limited partners. All \$21 Million is managed on a discretionary basis.

## Types of Agreements

The following agreement define the typical client relationships.

## **Advisory Service Agreement**

Most clients choose to have Harris Harper Counsel Inc. manage with respect to all the assets of the client currently or subsequently placed under the firm's direction. The firm shall have full authority and sole discretion, on behalf and at the risk of the client, from time to time to purchase, sell, convert and exchange for the portfolio any types of securities which the firm deems appropriate, subject only to the investment restrictions, if any, set forth by the firm. The firm shall not be required to consult with, advise or obtain the consent of the client or any other person in advance of the firm's making or effecting any investment decision with respect to the portfolio. The firm shall have full authority in its absolute discretion to place orders for the purchase or sale of any assets in the portfolio with any brokers, dealers or other appropriate persons. The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

## **Asset Management**

Assets are invested in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Harris Harper Counsel Inc. does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

## **Termination of Agreement**

Upon 48 hours notice a client may terminate any of the aforementioned agreements at any time by notifying Harris Harper Counsel Inc. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

Harris Harper Counsel Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing..

## **Fees and Compensation**

### **Description**

The investment management fee is based on the market value of the assets under supervision. The annual fee is 1% of such assets payable .25% of the assets under supervision at the end of the calendar quarter in arrears. Such fee is payable during the following quarter. The fee is not negotiable and the investment management relationship may be terminated by either party upon notice.

## **Types of Clients**

### **Description**

Harris Harper Counsel Inc. generally provides investment advice to individuals, partnerships, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

The minimum account size is \$50,000 of assets under management, which equates to an annual fee of \$500.00. The firm has the discretion to determine the account minimum when it deems to do so.

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

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that the firm may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Value Line Services, and the World Wide Web.

### **Investment Strategies**

The investment strategy is to seek long-term capital growth by investing its assets primarily in common stocks and other equity-type securities. The firm will invest the funds contributed by the client primarily in common stocks of publicly-held companies which offer opportunities for long-term capital

appreciation. In addition to common stocks, the firm may also invest in mutual funds, preferred stocks, securities convertible into common stock, such as convertible debentures and convertible preferred stocks, and may invest in exchange-listed or over-the-counter securities, in small or large companies, and in well-established or unseasoned companies. The firm may also invest in private partnerships with investment goals similar to those outlined above. During periods when market or economic conditions dictate a temporary defensive position, the Partnership may invest in money market and fixed income investments, such as U.S. treasury bills, notes and bonds. The firm's principal objective is long-term capital appreciation, although other objectives include realization of current income and tax benefits.

### **Risk of Loss**

No investment is suitable for all investors and all investments involve some degree of risk. The firm does not view investments intended for current income producing investment and will not purchase securities with a view toward short-term profits. Accordingly, the firm is only suitable for investors who can accept the fluctuations in portfolio value and other risks associated with seeking long-term capital growth through investments in common stocks and other equity-type securities.

. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy

process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

### **Financial Industry Activities**

Harris Harper Counsel Inc. is registered as an Investment Advisory firm in the state of Indiana. The principal owners are registered advisors of Harris Harper Counsel Inc.

## **Review of Accounts**

### **Periodic Reviews and Reports**

At the end of each year, each client is given a written report which describes the performance of such client's account during the year just ended and also since the account was opened. Such performance is compared to the certain market indices as well as other investment managers. Interim reports to the client of investment performance are given via email or upon request.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

Harris Harper Counsel Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, professionals, personal friends and other similar sources. The firm does not compensate referring parties for these referrals.



## **Referrals Out**

Harris Harper Counsel Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

### **Account Statements**

All assets are held with qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

## **Investment Discretion**

### **Discretionary Authority for Trading**

Harris Harper Counsel Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client approves the custodian to be used and the fees paid to the custodian. Harris Harper Counsel Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy established by Harris Harper Counsel Inc.

## **Voting Client Securities**

### **Proxy Votes**

Harris Harper Counsel Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, the firm will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

### **Financial Condition**

As an advisor to a private investment vehicle (Cedar Fund), Harris Harper Counsel is required to file an audited balance sheet to the Indiana Securities Division annually, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

# Information Security Program

## Privacy Notice

Harris Harper Counsel does not disclose nonpublic personal information about our clients/investors or former clients/former investors to third parties other than as described below.

We collect information about you (such as your name, address, email address, social security number, assets and income) from our discussions with you, from documents that you may deliver to us and in the course of providing services for you. We may use this information to provide services to you, to open an account for you, to process a transaction for your account or otherwise in furtherance of our business. In order to service your account and effect your transactions, we may provide your personal information to firms, such as financial institutions, that assist us in servicing your account and have a need for such information. We require arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. We do not otherwise provide information about you to outside firms, organizations or individuals except to our attorneys, accountants and auditors and as permitted by law.

We restrict access to nonpublic personal information about you to only the partners of Harris Harper Counsel Inc. who need to know that information to provide services to you. We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.

## **Brochure Supplement (Part 2B of Form ADV)**

### **Mark W. Harris, CERTIFICATIONS**

born March 27, 1948; Ball State University, Muncie IN, (attended 2.5 years); Indiana University East, Richmond IN, (attended 1 year); self employed as private investor, 9/82 to present; Circulation Manager, Palladium Item, Richmond 9/79 -9/82; Personnel Manager, Palladium Item, Richmond 1970 - 9/79.

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None