

Item 1 Cover Page

## POWERS CAPITAL MANAGEMENT

1024 Fayette St  
Rear Entrance  
Conshohocken PA 19428  
[www.investwithpowers.com](http://www.investwithpowers.com)  
(215) 908-2839

March 23, 2023

**This brochure provides information about the qualifications and business practices of Powers Capital Management. If you have any questions about the contents of this brochure, please contact us at (215) 908-2839. 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. Registration (e.g. “registered investment advisor”) does not imply a certain level of skill or training.**

**Additional information about Powers Capital Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

We are required to update this Brochure, and a summary of material changes to this Brochure within 90 days of the close of our fiscal year. Furthermore, we are required to deliver an updated Brochure, which will include the summary of any material changes, to you within 120 days of the close of our fiscal year.

Since the filing of the previous brochure on March 30, 2022, Powers Capital Management has made the following material changes:

Powers Capital Management (“PCM”) has accepted custody of certain customer assets as a result of Standing Letters of Authorization, which direct PCM to make payments from the customers’ account to certain third-parties for purposes of paying insurance premiums. The Standing Letters of Authorization and custody are disclosed in Item 15 of this Brochure.

Currently, our Brochure may be requested by contacting Timothy Powers at (215) 908-2839.

Additional information about our firm is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment advisor representatives of Powers Capital Management.

### Item 3 Table of Contents

#### Brochure

<u>Item 3 Table of Contents</u> .....	<u>3</u>
<u>Item 4 Advisory Business</u> .....	<u>4</u>
<u>Item 5 Fees and Compensation</u> .....	<u>6</u>
<u>Item 6 Performance-Based Fees and Side-by-Side Management</u> .....	<u>9</u>
<u>Item 7 Types of Clients</u> .....	<u>9</u>
<u>Item 8 Methods of Analysis, Investment Strategies and Risk of Loss</u> .....	<u>9</u>
<u>Item 9 Disciplinary Information</u> .....	<u>13</u>
<u>Item 10 Other Financial Industry Activities and Affirmations</u> .....	<u>13</u>
<u>Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u> .....	<u>14</u>
<u>Item 12 Brokerage Practices</u> .....	<u>14</u>
<u>Item 13 Review of Accounts</u> .....	<u>16</u>
<u>Item 14 Client Referrals and Other Compensation</u> .....	<u>16</u>
<u>Item 15 Custody</u> .....	<u>17</u>
<u>Item 16 Investment Discretion</u> .....	<u>18</u>
<u>Item 17 Voting Client Securities</u> .....	<u>18</u>
<u>Item 18 Financial Information</u> .....	<u>18</u>
<u>Item 19 Requirements for State-Registered Advisers</u> .....	<u>19</u>

#### Brochure Supplement

<u>Item 1 Cover Page for Brochure Supplement</u> .....	<u>1</u>
<u>Item 2 Educational Background and Business Experience</u> .....	<u>2</u>
<u>Item 3 Disciplinary Information</u> .....	<u>2</u>
<u>Item 4 Other Business Activities</u> .....	<u>3</u>
<u>Item 5 Additional Compensation</u> .....	<u>4</u>
<u>Item 6 Supervision</u> .....	<u>5</u>
<u>Item 7 Requirements for State-Registered Advisers</u> .....	<u>5</u>

## **ITEM 4 ADVISORY BUSINESS**

### **A. Describe your advisory firm, including how long it has been in business. Identify your principal owner(s).**

Powers Capital Management is a state registered investment advisor firm registered with the Pennsylvania securities regulators as of September 10, 2019.

The Principal Owner of Powers Capital Management is: Timothy Powers.

#### **Advisory Services:**

Powers Capital Management (hereinafter referred to as “PCM” or “Advisor”) provides management and advisory services to client investment portfolios on a discretionary and/or nondiscretionary basis.

In addition, PCM may provide broad range of comprehensive financial planning and consulting services.

PCM will help clients create financial goals and investment objectives. PCM will assist clients in understanding investment risk and find the proper risk profile for clients. PCM will analyze portfolios for clients. Once goals have been set and the risk profile has been chosen, PCM will select an asset allocation with input from the client. PCM will choose investments in each of the different asset classes as needed.

PCM will suggest mutual funds, ETF’s, fixed income, equities, and/or CD’s based on the needs of the client.

PCM may also advise clients on assets not being held at the primary custodian. These assets may be held with the underwriting insurance company or another custodian chosen by the client.

PCM will continuously manage client assets to assure the investments are aligned with client goals and will consult with clients on a regular basis. Clients are advised to notify PCM immediately if their life style, goals, family situation, risk tolerance, or time horizon changes. The investment plan can then be updated.

Clients may impose restrictions on the management of their accounts if PCM determines it to be reasonable and in the scope of standard management workload.

PCM is a fee-only investment advisor for clients seeking investment advisory services. PCM does not receive any commissions or other income in while acting as the Client’s investment advisor.

See summary of services below:

- Develop financial goals for clients
- Organize and modernize client financial data
- Analyze client’s current financial situation`

- Create an investment strategy that aligns client goals with their investments
- Execute the financial plan that has been chosen.
- Provide continuous financial management and advice
- Meet with clients and call clients on a regular basis
- Asset management services. (see below)
- Develop investment guidelines and approach.
- Choose investments
- Provide easy to read reports on a regular basis
- As assets grow/shrink and the portfolio changes, rebalance assets into proper asset classes
- Re-allocate the portfolio due to changes in multiple significant variables
- Tax smart investing

### **Portfolio Management:**

#### Discretionary Investment Management Services

By accepting discretionary investment management services, Client authorizes PCM with a limited power of attorney over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Adviser in an investment policy statement.

Clients work with PCM to create a clear set of financial including a well-defined investment profile and risk analysis. Once these elements of the investment process have been completed, PCM will use their discretion to choose the best investment vehicles that align with client goals.

The investment vehicles will primarily consist of mutual funds, ETF's, stocks, bonds. PCM generally provide advice only on the products previously listed however, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

#### Non-discretionary Investment Consulting Advice

PCM realizes that certain clients wish to be consulted before changes are made to their accounts. These types of accounts are referred to as "Non-discretionary" accounts.

Non-discretionary accounts will be contacted before changes are made to their investments and the reason for the suggested change will be explained. Clients will have the ability to accept the suggested changes in the portfolio or reject the suggested changes and the portfolio will remain "as is". Clients are also able to offer alternate suggestions to the portfolio at this point.

## Comprehensive Financial Planning and Consulting Services

In addition to portfolio management, PCM will offer Clients with assets not subject to PCM's management certain financial consulting services. Such services will include long term planning, investment goals, risk management, asset allocation..etc. Clients retaining PCM for such consulting services will receive quarterly calls or meetings with PCM advisers. PCM will assume no responsibility in purchasing, selling or otherwise trading any assets, and will not manage any portfolio of investments for Clients, but rather will advise Clients on their investments generally.

### C. How the Firm Tailors Investment Advice

PCM tailors investment advisory services to each Client based on the Client's investment objectives, risk tolerance, investment history, and other such factors as may be discussed with the Client. PCM does not impose any particular restrictions on the securities or types of securities that may be included within an Account. However, investments in Accounts will primarily consist of mutual funds, ETF's, stocks, bonds. PCM will generally provide advice only on these particular securities, however, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives, as well as applicable regulatory restrictions (such as limitations on the holding of leveraged and inverse ETFs).

### D. Wrap Fee Programs

PCM will does not offer wrap free programs.

### E. Assets Under Management

As of December 31, 2022, Adviser has the following assets under management:

Discretionary assets: \$32,962,189  
Non-discretionary assets: \$0

## ITEM 5 FEES AND COMPENSATION

### Fees and other charges

#### Individually Managed Accounts:

Fees for individually managed accounts are tier priced as follows:

<i>Account Size</i>	<i>Fee (Annual percentage)*</i>
<b>Account Size</b>	<b>Annual Fees (%)</b>
\$50,000	2.0%
\$100,000	1.25%
\$500,000	1.20%
\$1,000,000	1.15%
\$1,500,000	1.10%

\$2,000,000	1.00%
\$2,500,000	0.95%
\$3,00,000	0.85%
\$3,500,000 +	0.75%

All asset based fees are deducted by the qualified custodian of record on a quarterly basis in Advance, or as otherwise indicated in the client agreement. Client statements for prior deductions will be provided on a quarterly basis. (See below.)

All fees paid to Adviser for investment advisory services are separate and distinct from the expenses charged by Investment Companies to their shareholders. These fees and expenses are described to the client in separate disclosures. These fees will generally include an Investment Company management fee, other fund expenses, and in some situations a possible distribution fee.

Adviser will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will Adviser accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Client may contact the Custodian directly for disbursements, or account record changes, and may also do so in writing to the custodian. Adviser may act at the client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed to be custody of client assets.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to Adviser are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with Adviser, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client through the Custodian. Client's advisory agreement with the Adviser is non-transferable without Client's written approval.

***Fee Deduction Disclosure for the State of Pennsylvania:***

Where Adviser deducts its management fee from client accounts utilizing a qualified custodian, the State of Pennsylvania requires the firm to meet the following requirements.

- a. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. The firm must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,
- c. The firm must send the client a written invoice itemizing the fee, the invoice must detail any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. This may be included with the client's quarterly performance report.

## **Fixed Fees:**

Fixed fees are commensurate with asset based fees and may be negotiated for investment services, and are established as fixed fees where the intent of the client is that fees are not variable automatically with changes in asset values on a quarterly basis. Fixed fee arrangements under the client agreement are for a period of one year, and then convert automatically to asset based fees unless a new fixed fee agreement is established. Fixed fees are deducted and invoiced in the same fashion as asset based fees for investment services.

All fixed fees for services offered by the firm will be determined in advance based on the agreement between the client and the firm and based on the information provided by the client at that time.

Fixed fees paid in advance will be prorated to the date of termination and the excess refunded to the client by check as soon as practicable. Where the firm may request a fee in advance, the amount paid in advance will not be more than \$1,200 per client and 6 months in advance. The remaining fixed fees will be paid after services are performed.

## **Consulting Services**

PCM will charge a flat fee of \$3,000 annually for Consulting Services, which will be charged \$750 per quarter in advance.

## **Right of Cancellation**

In addition to the right to terminate an agreement pursuant to its terms, a client may cancel an agreement with Adviser within five (5) business days of first receiving a copy of this disclosure brochure and supplement without penalty or fee.

## **C. Other Types of Fees or Expenses Clients May Pay**

In addition to the advisory fees paid to PCM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. These charges are the responsibility of the clients and are not included in or deducted from the fees charged by PCM.

## **D. Adviser Fees Payable in Advance**

Adviser's Investment management fees are payable quarterly in advance, based on average daily balances with adjustments for additional deposits of funds if any made in a quarter already billed, which will be billed in arrears at the beginning of the next quarter for the additional cash flow. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client by check issued to the customer as soon as practicable.



## ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Adviser does not charge performance based fees and does not engage in side-by-side investment management, accordingly, this Item is not applicable.

## ITEM 7 TYPES OF CLIENTS

PCM primarily works with families and individuals in need of investment advice and financial planning. PCM also works with trusts and small business owners in need of investment advice and financial planning.

Adviser has a minimum investment account balance of \$100,000. PCM may waive the account minimum at its discretion.

## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### A. Methods of Analysis and Investment Strategies

PCM may provide Wealth Management services to clients on a discretionary basis where such clients authorize PCM to exercise discretion over the client's portfolio. In such relationships PCM will use due diligence on research model providers, Cyclical Analysis, Fundamental Analysis, Modern Portfolio Theory, or Technical Analysis.

PCM use research from several sources including independent research firms, money manager companies, insurance companies or newsletters to perform these analyses.

- **Model Provider Analysis** provides due diligence on the research provider's investment philosophy, investment process, people and organization.
- **Cyclical Analysis** analyzes business cycles to find favorable conditions *Cyclical Analysis* is a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.
- **Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. It involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Modern Portfolio Theory** offers a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same

for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e. if for that level of risk an alternative portfolio exists which has better expected returns.

- **Technical Analysis** involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

With discretionary investment portfolios, PCM may identify strategies utilizing a multi-asset class style of portfolio management. PCM will use a traditional mix of equity and fixed income asset classes and may also compliment the strategy with alternative investments. Examples of alternative investments are REITS, MLP's, UIT's, Closed-end Funds or similar investment vehicles.

### **Research Model Implementation:**

**Strategic Asset Allocation** – Asset allocation is a long-term investing strategy that does not involve active trading (e.g., quarterly or annually). The research provider communicates its asset class portfolio weights or changes to those asset class portfolio weights to PCM. PCM buys or sells ETFs, mutual funds and or individual securities (within a week of receiving asset class portfolio weights from the research provider) in client accounts to reflect the research provider's recommendations. Tax considerations may influence rebalancing and the portfolio may differ from the research provider's model allocation.

**Tactical Asset Allocation** – Asset allocation is a short to intermediate term investing strategy with more trade activity (e.g., weekly or monthly). The research provider communicates its asset class portfolio weights or changes to those asset class portfolio weights to PCM and PCM will execute trades (within three days of receiving the research). Tax considerations may cause differences from the research provider's model allocation.

**Equity Portfolios** – Equity portfolios are composed almost entirely of individual equities and some cash. The research provider communicates the weights of the individual stocks in the portfolio. Then PCM trades the client portfolio. Tax considerations may affect execution of trades and client portfolios may differ from the research model.

### **Strategic Asset Allocation using Proprietary Security Selection:**

The investment vehicles are selected by PCM and added to client portfolios. Investments may normally be changed quarterly or annually. PCM builds the asset allocation and executes trades on ETFs, mutual funds and or individual securities in client accounts to reflect the asset allocation. Tax considerations may affect trading and rebalancing in the portfolio and performance of client portfolios may differ from benchmark model allocations.

## **B. Material Risks**

**General Risks.** Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future

results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

**General Market Risk.** Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

**Common Stocks.** Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

**Portfolio Turnover Risk.** High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

**Non-Diversified Strategy Risk.** Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

**Model Risk.** Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

### **Mutual Funds and ETFs Risk**

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading

prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

**Legislative and Tax Risk.** Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/ Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

**Foreign Investing and Emerging Markets Risk.** Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**Information Security Risk.** We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of

electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

**Tax Risks.** Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their out tax advisers and counsel to determine the potential tax-related consequences of investing.

**Advisory Risk.** There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

**Dependence on Key Employees.** An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

#### **C. Recommendation of Particular Securities or Types of Investments**

Adviser does not primarily recommend a particular type of security.

#### **ITEM 9 DISCIPLINARY INFORMATION**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management, disclose all material facts regarding those events.**

Clients should be aware that neither Adviser nor its management person has had any legal or disciplinary events, currently or in the past.

#### **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

PCM is a licensed insurance agency with various insurance companies and may recommend the purchase of certain insurance products at the request of the client. PCM will disclose that this business is separate from PCM's investment advisory business and that insurance business is commissionable. A conflict of interest exists to the extent that PCM may recommend insurance purchases and may receive a commission for the sale. PCM currently devotes 25% of time to the insurance business.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Adviser is a state registered investment advisor registered with the Pennsylvania state securities regulators and has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Adviser are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Adviser maintains a code of ethics and they will provide a copy to any client or prospective client upon request.

Adviser and/or its investment advisory representatives may from time to time purchase or sell products or investments that they may recommend to clients. Adviser has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser.

In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Adviser are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Adviser's Code of Ethics is available upon request.

## **ITEM 12 BROKERAGE PRACTICES**

Adviser has an established relationship with a broker dealer/custodian. PCM recommends that clients utilize the brokerage and clearing services of TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. PCM receives some benefits from TD Ameritrade through its participation in the program. PCM participates in TD Ameritrade's Institutional customer program and may require clients to maintain accounts with TD Ameritrade OR recommend TD Ameritrade to our clients for custody and brokerage services.

The Advisor will recommend to clients for custody or client transactions. Adviser suggests this broker-dealer/custodian be used based on execution and custodial services offered, cost, quality of service and industry reputation. Adviser has also considered factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

As an investment adviser, Adviser has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

Adviser utilizes a custodian that it believes offers a competitive price based upon the custodian's market access, the transaction confirmation and account statement practices, the execution, clearance and settlement capabilities, and the reasonableness of the commission or its equivalent for the specific transaction. Adviser will monitor the services offered by the custodian and make any changes, as appropriate.

### **Research and Other Soft Dollar Benefits from Broker-Dealers**

Adviser does not receive research or other products or services other than execution from a broker-dealer or third party as a result of client securities transactions. Adviser does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Adviser recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Adviser to direct all transactions through that broker-dealer in the investment advisory agreement. Please also see the response to Item 12A above.

### **Aggregation and Allocation of Trades**

Adviser may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price).

Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Adviser's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day.

Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement.

If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Adviser may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

## ITEM 13 REVIEW OF ACCOUNTS

**A. Indicate whether your firm periodically reviews client accounts or financial plans. If you do, describe the frequency and nature of the review and the titles of the supervised persons who conduct the review.**

**Reviews:** Securities within the portfolios are continually monitored, these accounts are reviewed once per year. PCM reviews asset allocation, rebalances, and may perform tax management tasks. PCM will contact each client for a review once per year. Client initiated reviews are also welcome at any time during a quarter.

**Reports:** Clients are provided with transaction confirmation notices and statements directly from the Financial Institutions where their assets are custodied. Clients may also request a customized statement from PCM and access an electronic client portal which contains client's account information. Clients should compare the account statements they receive from their custodian with the information provided by PCM's portal.

**B. If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.**

Significant changes in the market or economy may trigger a need to review client accounts and contact clients. Clients are also encouraged to initiate a review meeting any time there is a need.

**C. Describe the content and indicate the frequency of regular reports the firm provides to clients regarding their accounts. State whether these reports are written.**

Reports from the custodian will include an inventory of holdings, account activity, cost basis, account registration, and basic client information. PCM may generate proprietary reports for clients that request more detailed reports including performance data, asset allocation, and market information. These reports will be sent to clients on a monthly or quarterly basis.

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

**A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Adviser will not receive any economic benefit from another person or entity for soliciting or referring clients.

**B. If the firm or a related person directly or indirectly compensates any person who is not a supervised person for client referrals, describe the arrangement and the compensation.**

Adviser will not pay another person or entity for referring or soliciting clients for Adviser.



## ITEM 15 CUSTODY

Adviser exercises custody of certain clients' assets in the form of Standing Letters of Authorization ("SLOAs"). SLOAs are instructions from a customer to the qualified custodian authorizing Adviser to deduct certain amounts from the clients' accounts to pay insurance premiums. Specifically, clients authorize the Adviser to make payments to Longevity Income Solutions ("LIS"), an insurance agency that offers life insurance, annuities and long-term care coverage. Clients of Adviser are under no obligation to purchase insurance policies from LIS or establish SLOAs with Adviser. However, in the event that Clients purchase insurance through LIS, they may authorize Adviser to pay administrative fees from the accounts under the following circumstances:

- 1) Client provides instructions to the qualified custodian, in writing, that includes the Client's signature, the payee's name (e.g., LIS), and either the third-party's address or the third-party's account number to which the transfer should be directed.
- 2) The client authorizes Adviser, in writing, on the qualified custodian's approved form to direct transfers to the third-party either on a specified schedule or from time to time.
- 3) The qualified custodian properly verifies the client's signature and provides a transfer of duns notice to the client promptly after each transfer.
- 4) The client has the ability to terminate or change the instruction to the client's qualified custodian.
- 5) Adviser has no authority or ability to designate or change the third-party payee or any other information about the third-party contained in the instructions.
- 6) Adviser maintains records showing the third-party is not related or in the same office as Adviser.
- 7) The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instructions.

Adviser has satisfied and will continue to satisfy these requirements. As of the date of this brochure, Adviser maintains custody for 28 clients and \$11,500,000 in assets under management. This information is also disclosed in Item 9 of Form ADV Part 1.

Adviser also exercises limited custody over the client's funds by direct debit management fees from the account. Where Adviser deducts its management fee from client accounts utilizing a qualified custodian, the State of Pennsylvania requires the firm to meet the following requirements:

- a. Adviser must possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. Adviser must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,
- c. Adviser must send the client a written invoice itemizing the fee, the invoice must detail any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. This may be included with the client's quarterly performance report.

The client will also receive written statements no less than quarterly from the custodian. Adviser encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to the firm's attention.

#### **ITEM 16 INVESTMENT DISCRETION**

Adviser generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Adviser in an investment policy statement.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Adviser will be in accordance with each client's investment objectives and goals and consistent with the Investment Policy statement.

The Client must understand that gains and losses are realized by discretionary activity and that these are taxable events, and that the client has authorized such activity in granting discretion. While some sensitivity to taxation is possible with discretion, if the client requires control of the taxable events, a non-discretionary approach is needed and therefore recommended, and this would require that the client's investment contract indicate the account is non-discretionary.

#### **ITEM 17 VOTING CLIENT SECURITIES**

Adviser will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Adviser cannot give any advice or take any action with respect to the voting of these proxies. The client and Adviser agree to this by contract.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Adviser cannot give any advice or take action with respect to the voting of these proxies.

#### **ITEM 18 FINANCIAL INFORMATION**

Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to produce a balance sheet of the most recent fiscal year.

Adviser does exercise discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Adviser does become aware of any such financial condition, this brochure will be updated and clients will be notified.

Adviser has not been the subject of any bankruptcy petition over the past 10 years.

## ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

### A. Identify each of your principal executive officers and management persons, and describe their formal education and business background.

Timothy Powers, President and Chief Compliance Officer

#### Education:

Bachelor's Degree 1997  
Business Administration  
Shippensburg University  
Shippensburg, PA

#### Business Background:

Powers Capital Management, President and CCO, 09/2019 - Present

BCG Securities, Inc., Registered Representative, 05/2006 – 09/2019

Benefit Consultants Group, Investment Adviser Representative, 05/2006 – 09/2019

### B. Describe any business in which the firm is actively engaged (other than giving investment advice) and the approximate amount of time spent on that business.

Powers Capital Management is a licensed insurance agent and spends 25% of the time working on this part of the business.

### C. In addition to the description of your fees in response to Item 5 of Part IIA, if you or a supervised person are compensated for advisory services with performance based fees, explain how these fees will be calculated. Disclose specifically that performance based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

Neither Powers Capital Management nor any of its supervised persons is compensated in any way other than the investment advisory fees described above.

### D. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

#### 1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:**

- (a) an investment or an *investment-related* business or activity;**
- (b) fraud, false statement(s), or omissions;**
- (c) theft, embezzlement, or other wrongful taking of property;**
- (d) bribery, forgery, counterfeiting, or extortion; or**
- (e) dishonest, unfair, or unethical practices.**

Powers Capital Management has nothing to report under this section.

**E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A.**

Powers Capital Management has no relationship or arrangement as described herein.

**Item 1 Cover Page for Brochure Supplement**

**Timothy Powers**  
**POWERS CAPITAL MANAGEMENT**

1024 Fayette St  
Rear Entrance  
Conshohocken PA 19428  
[www.investwithpowers.com](http://www.investwithpowers.com)  
(215) 908-2839

March 23, 2023

**This brochure supplement provides information about Timothy Powers that supplements the Powers Capital Management brochure. You should have received a copy of that brochure. Please contact Timothy Powers if you did not receive Powers Capital Management's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Timothy Powers is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ITEM 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Timothy J Powers**

**Born: 4/29/1973**

Education:

Bachelor's Degree

Business Administration

Shippensburg University

Shippensburg, PA

Business Background:

Powers Capital Management, President and CCO, 09/2019 - Present

BCG Securities, Inc., Registered Representative, 05/2006 – 09/2019

Benefit Consultants Group, Investment Adviser Representative, 05/2006 – 09/2019

## ITEM 3 DISCIPLINARY INFORMATION

If there are legal or disciplinary events material to a *client's* or prospective *client's* evaluation of the *supervised person*, disclose all material facts regarding those events.

**A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *supervised person***

- 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;**
- 2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;**
- 3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation;  
or**
- 4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.**

This disclosure is not applicable to Mr. Powers.

**B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *supervised person***

**1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or**

**2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority**

**(a) denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business;**

**(b) barring or suspending the *supervised person's* association with an *investment-related* business;**

**(c) otherwise significantly limiting the *supervised person's investment-related* activities; or**

**(d) imposing a civil money penalty of more than \$2,500 on the *supervised person*.**

This disclosure is not applicable to Mr. Powers.

**C. A *self-regulatory organization (SRO)* proceeding in which the *supervised person***

**1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or**

**2. was *found* to have been *involved* in a violation of the *SRO's* rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more than \$2,500.**

This disclosure is not applicable to Mr. Powers.

**D. Any other *proceeding* in which a professional attainment, designation, or license of the *supervised person* was revoked or suspended because of a violation of rules relating to professional conduct. If the *supervised person* resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding* (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.**

This disclosure is not applicable to Mr. Powers.

#### **ITEM 4 OTHER BUSINESS ACTIVITIES**

**A. If the *supervised person* is actively engaged in any *investment-related* business or occupation, including if the *supervised person* is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), commodity trading advisor (“CTA”), or an**

**associated *person* of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.**

Powers Capital Management acts as a licensed insurance agent. There is a conflict of interest here that is disclosed to clients. PCM does receive commissions for the sale of insurance business and devotes 25% of efforts to this side of the business.

**1. If a relationship between the advisory business and the *supervised person's* other financial industry activities creates a material conflict of interest with *clients*, describe the nature of the conflict and generally how you address it.**

There is a conflict of interest since PCM recommends the purchase of insurance products. This is fully disclosed to clients and it is explained the PCM receives a commission for insurance sales. These commissions are separate from any advisory fees. Advisory fees are not charged for any assets invested in insurance products.

**2. If the *supervised person* receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service (“trail”) fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the *supervised person* receives. Explain that this practice gives the *supervised person* an incentive to recommend investment products based on the compensation received, rather than on the *client's* needs.**

This does not apply to PCM or Mr. Powers.

**B. If the *supervised person* is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the *supervised person's* income or involve a substantial amount of the *supervised person's* time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the *supervised person's* time and income, you may presume that they are not substantial.**

Not applicable.

## **ITEM 5 ADDITIONAL COMPENSATION**

**If someone who is not a *client* provides an economic benefit to the *supervised person* for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the *supervised person's* regular salary. Any bonus that is based, at least in part, on the number or amount of sales, *client* referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.**

This disclosure is not applicable. Neither Powers Capital Management nor any supervised person receives additional compensation for client services.



## ITEM 6 SUPERVISION

Explain how you *supervise* the *supervised person*, including how you monitor the advice the *supervised person* provides to *clients*. Provide the name, title and telephone number of the *person* responsible for supervising the *supervised person's* advisory activities on behalf of your firm.

Timothy Powers is the sole proprietor of Powers Capital Management and is the only individual that provides investment advice to clients. Mr. Powers can be reached at (215) 908-2839 and is the only individual that provides investment advice to clients.

## ITEM 7 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

**A. In addition to the events listed in Item 3 of Part 2B, if the *supervised person* has been *involved* in one of the events listed below, disclose all material facts regarding the event.**

**1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:**

- (a) an investment or an *investment-related* business or activity;**
- (b) fraud, false statement(s), or omissions;**
- (c) theft, embezzlement, or other wrongful taking of property;**
- (d) bribery, forgery, counterfeiting, or extortion; or**
- (e) dishonest, unfair, or unethical practices.**

**2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:**

- (a) an investment or an *investment-related* business or activity;**
- (b) fraud, false statement(s), or omissions;**
- (c) theft, embezzlement, or other wrongful taking of property;**
- (d) bribery, forgery, counterfeiting, or extortion; or**
- (e) dishonest, unfair, or unethical practices.**

**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.**

Mr. Powers has not been subject to any of the foregoing events.