

P.R. Herzig & Co., Inc.

**Item 1 - Cover Page**

# P.R. Herzig & Co., Inc.

One Expressway Plaza  
Roslyn Heights, NY 11577

516-621-0200

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

December 31, 2012

This Form ADV Part 2 brochure with supplements provides information about the qualifications and business practices of P.R. Herzig & Co., Inc. (“the Firm”), a registered investment adviser.

This information has not been approved or verified by the United States Securities and Exchange Commission (“the SEC”) or by any state securities authority. Registration of an investment adviser does not imply any level of skill or training.

The SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) provides additional information about the Firm, including affiliated persons registered, or required to be registered, as its investment adviser representatives.

This brochure is available on our web site: [www.prherzig.com](http://www.prherzig.com) in printable format. You can also obtain a hardcopy, free of charge, by contacting Arthur Pesner, Compliance Officer at 516-621-0200 or [info@prherzig.com](mailto:info@prherzig.com).

**Item 2 – Material Changes**

Under new SEC rules published July 28, 2010 we must provide in this Item 2 a summary of any material changes since our last annual brochure update no later than 120 days after the close of our fiscal year.

The Firm's business has not changed materially since our previous brochure. However, as required by the new rules, this brochure differs materially in structure and contains some new information and required language.

We will continue to offer this brochure on at least an annual basis, and make it available on our website at [www.prherzig.com](http://www.prherzig.com).

We may provide other ongoing disclosures about material changes at any time.

**Item 3 -Table of Contents**

Item 1 – Cover Page..... 1

Item 2 – Material Changes..... 2

Item 3 -Table of Contents ..... 3

Item 4 – Advisory Business ..... 3

Item 5 – Fees and Compensation ..... 4

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

Item 7 – Types of Clients ..... 6

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss ..... 6

Item 9 – Disciplinary Information ..... 7

Item 10 – Other Financial Industry Activities and Affiliations ..... 7

Item 11 – Code of Ethics ..... 8

Item 12 – Brokerage Practices ..... 8

Item 13 – Review of Accounts ..... 10

Item 14 – Client Referrals and Other Compensation..... 11

Item 15 – Custody..... 11

Item 16 – Investment Discretion ..... 12

Item 17 – Voting Client Securities..... 12

Item 18 – Financial Information ..... 12

*Supplement - Information about Supervised Persons (alphabetical order)*

Supplement – Information about Jonathon E. Ciaio..... 13

Supplement – Information about Sumner Gerard..... 14

Supplement– Information about M. Thomas Herzig ..... 15

Supplement – Information about Arthur S. Pesner ..... 16

**Item 4 – Advisory Business**

Managed since 1957 by its founding family, the Firm is a registered investment adviser and a licensed broker-dealer (member FINRA/SIPC) majority owned by M. Thomas Herzig, President. The Firm’s primary service is managing separate long-only investment portfolios on behalf of clients who grant the Firm investment discretionary authority to

decide which securities to buy and sell, when to buy and sell them, in what quantities, and at what commission rates. The Firm also provides investment advice, analytical support, and order execution to individual and institutional clients who manage their own portfolios on a non-discretionary basis.

Pershing LLC (“Pershing”), an unaffiliated clearing firm and wholly owned subsidiary of Bank of New York Mellon’s holding company, acts as custodian for all discretionary portfolios and most non-discretionary portfolios and sends statements and notices directly to clients. Without written instructions from the client or legal authorities, Pershing does not permit the Firm to transfer funds or securities from a client’s account to anyone other than the client. The Firm holds no client cash or securities.

As of December 31, 2012 the Firm managed approximately \$95.7 million on a discretionary basis and \$112.7 million on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

Unlike many investment advisers, the Firm does not charge a management fee calculated as a percentage of the market value of an account. Instead clients compensate the Firm and Pershing primarily through: 1) brokerage commissions on securities purchases and sales, 2) fees for clearing, custody and other services, 3) sharing of a portion of the interest or fees earned on cash and money market balances, and 4) internal fees charged by mutual funds.

Pershing deducts commissions and fees directly from client accounts and apportions each item among the Firm, itself, and third parties. The Firm receives most of each brokerage commission while Pershing keeps fees for clearing, custody and other services. All commissions and fees are fully disclosed in trade confirmations that Pershing provides to clients promptly after each sale or purchase of securities, and on statements that Pershing provides to clients after the end of each month.

Brokerage commissions on securities purchases and sales. For accounts over which the Firm has investment discretionary authority, brokerage commissions are calculated using a standard schedule that takes into account the number of shares transacted, the price of each share, and other factors. For accounts over which the Firm does not have investment discretionary authority, the Firm occasionally negotiates other methods of calculating commissions.

Our activity-based method of compensation represents a conflict of interest because it gives the Firm an incentive to trade when that might not be in a client’s best interest. To

manage this conflict, the Firm has adopted a code of ethics (see Item 11) that requires employees to place client interests before their own and to act with independence and objectivity when taking investment action or making investment recommendations.

The Firm's commission rates are significantly higher than those charged by discount brokers. However, because clients do not pay a management fee calculated as a percentage of the market value of an account, the Firm believes the total investment costs paid by its clients are highly competitive, generally averaging between 1% and 1.5% of average invested assets per year for accounts over which the Firm has investment discretionary authority, and, in most cases, significantly less for non-discretionary accounts. In any one year, depending on client objectives and market conditions, the total commissions on an account may be significantly higher or lower than this estimated long-term range.

Fees for clearing, custody and other services. Unlike some custodians, Pershing does not charge a custody fee based on the market value of the assets in the accounts. As compensation for its services, Pershing charges fees for transferring funds, settling transactions on foreign and domestic exchanges, transferring accounts to another institution, depositing securities certificates, storing precious metals, maintaining inactive accounts, mailing hardcopy statements and trade confirmations, acting as IRA custodian, and providing other services. Pershing also deducts SEC fees from the proceeds of each sale of a security, which it remits to the SEC. In general these fees are small relative to a client's total investment expense. Occasionally the Firm will pay Pershing a fee on a client's behalf. The Firm typically does not receive any portion of these third-party fees and costs, which it believes are highly competitive.

Sharing of income earned on cash balances. At any given time client accounts typically hold some funds that have not been invested in individual securities. As custodian, Pershing has use of these funds and, by lending them out or placing them in a money market fund, can earn income on them in the form of interest or revenue sharing fees. Pershing typically retains a small portion of that income and credits the remainder to the clients. Pershing then shares a portion of the income it retains, up to 0.35% per annum, with the Firm. Clients thus receive less income on cash balances than if there had been no income sharing. This is a common method of compensation in the investment brokerage industry, and the Firm believes its clients receive highly competitive market rates.

Under its agreement with Pershing, the Firm is entitled to share a portion of the net interest Pershing earns on any margin loans to clients. However, the Firm does not employ margin in discretionary client accounts, and would only do so in a non-discretionary

account at the specific request of a client clearly aware of, and able to assume, the added risks of leverage.

Fees charged by mutual funds. The Firm typically does not invest client funds in mutual funds or exchange-traded funds because it believes that in most cases investments in individual stocks and bonds better serve its clients. In some instances, however, client accounts hold mutual funds that are legacy holdings transferred from other institutions or are purchased at the specific request of clients. These mutual funds charge fees that are deducted directly from a fund's net asset value (NAV) and are not disclosed separately in monthly brokerage statements. In some cases the Firm shares a portion of the mutual fund fees, giving the Firm an incentive to hold the investment longer than it would otherwise. The Firm's policy is to discuss the fees and potential conflicts of interest with the clients and advise them to read the relevant disclosures in the mutual fund prospectus.

Clients may at any time add funds or securities to their accounts, withdraw funds or securities from their accounts, or close their accounts. There are no lock-up provisions or withdrawal fees. Any fees paid in advance are refunded pro-rata.

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

The Firm does not charge any performance-based fees, commonly defined as fees based on a share of capital gains on or capital appreciation of a client's assets.

The Firm does not engage in side-by-side management, a term used to describe the simultaneous management of mutual funds and hedge funds that could create the potential for conflicts of interest because of different methods of compensation.

#### **Item 7 – Types of Clients**

The Firm provides portfolio management and investment supervisory services to individuals, pension plans, charitable foundations, trusts, and funds of funds. The Firm generally accepts clients with a minimum of \$500,000 available to open an advisory account. It believes that this is the minimum amount required to successfully execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

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

The Firm employs a wide range of methods to evaluate investments and manage portfolios, including fundamental analysis, technical analysis, and analysis of economic, market, industry, firm, and product cycles and trends. The Firm's investment philosophy is eclectic

and opportunistic, with an emphasis on seeking a margin of safety in price. The Firm strives to provide positive returns over time that compare favorably with the risks assumed, but does not always succeed. Investing in securities involves risk of loss that clients should be prepared to bear.

Typical sources of information include company SEC filings, press releases, company websites, company earnings calls, financial news and quotation services, financial data providers, financial newspapers and magazines, corporate rating services, analyst research reports, financial weblogs, internet discussion boards, financial websites, and, where practical, discussions with company management and inspections of company facilities.

The Firm continually adapts its investment strategies to market conditions and individual client needs. Decades of experience have shown that no one approach works at all times for all clients. Generally the Firm holds securities in taxable client accounts for over one year, but, when appropriate, will sell within a year to capture a large gain or harvest a tax loss. The Firm at times engages in margin transactions for its own account, but does not make short sales or engage in margin transactions for clients except in special circumstances and at a client's specific request. It occasionally executes option transactions at the request of clients, but does not employ options or other derivatives in accounts over which it has investment discretionary authority.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management and registered employees. The Firm has no information applicable to this item, as no Firm employee has ever been disciplined.

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

As described in Item 4, the Firm is a FINRA registered broker-dealer. All of the Firm's employees are registered representatives of a broker-dealer. As discussed in Item 5 a substantial portion of the Firm's compensation is in the form of brokerage commissions. This activity-based method of compensation represents a conflict of interest because it gives the Firm an incentive to trade when that might not be in a client's best interest. To manage this conflict, the Firm has adopted a code of ethics (see Item 11) that requires us to place client interests before our own and to act with independence and objectivity when taking investment action or making investment recommendations.

As described in Item 15, the Firm has a financial relationship with Pershing, its clearing firm.

The Firm does not engage in investment banking activities.

### **Item 11 – Code of Ethics**

Every person at the Firm has adopted the CFA Institute [Code of Ethics and Standards of Professional Conduct](#). The Firm also claims compliance with the CFA Institute [Asset Manager Code of Professional Conduct and the Code of Ethics](#). This claim has not been verified by the CFA Institute.

These codes require all persons at the Firm to place their clients' interests ahead of their own, maintain independence and objectivity, act with integrity, maintain and improve their professional competence, and disclose conflicts of interest and legal matters. Each person at the Firm must acknowledge the codes annually or whenever amended. A client or prospective client may obtain copies by clicking the above links or by contacting the Firm at the telephone number or address on the cover of this brochure.

To implement these codes, the Firm has adopted detailed policies and procedures designed, among other things, to keep client information confidential, prohibit insider trading, prohibit rumor mongering, restrict the acceptance of significant gifts and business entertainment, monitor and restrict personal securities trading, and otherwise prohibit preferential treatment of the Firm or certain clients at the expense of other clients or the public. Some of these policies and procedures are posted on the disclosures section of our website at [www.prherzig.com](http://www.prherzig.com). Pershing also posts policies at [www.pershing.com](http://www.pershing.com) and sends them in disclosure statements to clients.

Since the Firm is a broker-dealer and derives the bulk of its compensation from brokerage commissions on securities transactions, brokerage practices discussed in Item 12 are an important part of implementing these codes.

### **Item 12 – Brokerage Practices**

As described in Item 4, the Firm is a licensed broker-dealer whose primary business is managing portfolios on behalf of clients who grant the Firm investment discretionary authority to decide which securities to buy and sell, when to buy and sell them, in what quantities, and at what commission rates. The Firm also accepts orders on a non-discretionary basis from clients who manage their own portfolios.



## P.R. Herzig & Co., Inc.

The Firm has contracted with Pershing, an unaffiliated, registered broker-dealer, to execute and clear all of its securities transactions on US and foreign exchanges. Therefore, the Firm cannot accept instructions from clients to direct transactions through other broker-dealers. Pershing is a wholly owned subsidiary of The Bank of New York Mellon's holding company and one of the largest and oldest clearing firms in the United States. The Firm does not represent to clients that it will necessarily obtain the best possible price on every trade, but believes Pershing provides highly competitive services. Each year Pershing sends a disclosure statement to all the Firm's clients describing its best execution and other policies.

The Firm, and its officers, employees, and their family members generally hold many of the same securities that the Firm buys for client accounts over which it has discretionary investment authority. Non-discretionary accounts may also hold some of these same securities. The management and related persons of the Firm believe that holding the same securities helps to align their interests with those of the Firm's other clients.

However, the need to accommodate the diverse individual circumstances and investment goals of the Firm, its related persons, and its various clients can create the potential for conflicts of interest. For example, on a given day any of the following can occur: 1) The Firm or its related persons may buy or sell certain securities for themselves but not for any other clients, 2) the Firm or its related persons may buy or sell certain securities for themselves and for some clients, but not for other clients, and 3) the Firm or its related persons may buy for themselves and for certain clients the same securities that are being sold for other clients, and vice versa.

To avoid preferential treatment among clients and to prevent the Firm or related persons from benefiting from the short-term market effects of transactions for clients, the Firm has adopted procedures and practices to ensure that client accounts receive prices at least as favorable as those received by the Firm or related persons. These include:

Average pricing. The prices for transactions in a given security on a given day typically are averaged so that no one account or client receives preference. Average pricing may result in higher or lower execution prices than otherwise obtainable in a single client account. When prices are not averaged, the Firm gives preference to clients over itself or its related persons.

No principal and agency cross trading. The Firm does not buy securities from, or sell securities to, any investment advisory client (principal trading), nor does it engage in agency cross transactions where it would act as broker to both an advisory client and

another person on the other side of the transaction (agency cross trading). These policies prohibiting principal and agency cross trading may result in higher or lower execution prices than otherwise obtainable.

No soft dollar arrangements. The Firm does not have “soft dollar” arrangements to direct commissions generated by a transaction toward a third party in exchange for services.

The compliance officer reviews all transactions executed by the Firm daily, and conducts an additional review of all securities transactions by officers and employees quarterly.

### **Item 13 – Review of Accounts**

The Firm’s portfolio managers and compliance officer continuously monitor accounts to identify and correct any transaction or valuation errors, and to implement investment strategies that serve each client’s investment objectives. At a minimum, a review is conducted the day of and the day after any securities transaction in an account and after the end of each month. After the end of each month, the compliance officer reviews account statements and all investment professionals review investment performance, which is tracked monthly for each advisory account. More frequent account reviews are triggered by such factors as: a) awareness of a material change in a client’s circumstances or investment objectives, b) significant changes in market conditions, c) changes in the portfolio manager’s assessment of a security held in an account, and d) divergence of an account’s investment performance from management’s expectations.

The Firm has investment accounts for approximately 150 clients. Four investment professionals have review responsibility for these accounts.

The Firm has contracted with its clearing firm, Pershing, to furnish clients with confirmations of trades or debit/credit advices promptly after completion of any portfolio transaction for which the Firm has placed an order. The confirmations detail the principal amount, price, any commissions, and any SEC fees for each transaction. In addition, the Firm arranges for each client and/or client’s designated representative to receive monthly account statements showing the activity in each of the client’s accounts and the market value of each security in the accounts. The Firm urges clients to carefully review these official custodial records and compare them to any other reports that the Firm may provide.

The Firm, upon request, may provide additional reports showing the industry and sector diversification of a portfolio, the cost basis of securities held (where available), realized

capital gains and losses, and other portfolio information. In addition, through meetings, telephone calls, and letters, the Firm regularly keeps clients informed of the investment policy and strategy for achieving clients' investment objectives. The nature and frequency of these reports and other communications are determined primarily by the particular needs of each client.

The Firm posts its privacy policy, proxy policy, business disruption recovery plan, this information pamphlet, and other disclosures on its website at [www.prherzig.com](http://www.prherzig.com) and offers at least annually to send them to clients.

#### **Item 14 – Client Referrals and Other Compensation**

The Firm currently does not have an arrangement for receiving compensation for referring clients to other advisers, but may, with full disclosure, adopt such an arrangement in the future to serve the interest of clients.

#### **Item 15 – Custody**

The Firm has contracted with Pershing LLC, an unaffiliated, registered broker-dealer, to provide clearing and custodian services to the Firm's clients. Pershing, a wholly owned subsidiary of The Bank of New York Mellon's holding company and one of the largest and oldest clearing firms in the United States, holds the clients' securities and cash, issues statements and confirmations, and provides compliance support and other back office services. Without written instructions from the client or legal authorities, Pershing does not permit the Firm to transfer funds or securities from a client's account to anyone other than the client.

Pershing is compensated for its services by a flat charge on each securities transaction, which it deducts from commissions paid by the client to the Firm. As discussed in Item 5, Pershing is also compensated by the spread it earns on clients' cash balances, by fund processing and revenue sharing fees on money market funds, and by other miscellaneous fees charged directly to the Firm's clients. Pershing's compensation and other policies are described in a disclosure statement sent each year to all clients.

Clients receive statements from Pershing after the end of each month if there has been account activity and at least quarterly if there has been no activity. The Firm urges clients to carefully review these official custodial records and compare them to any other reports that the Firm may provide. Different accounting bases, reporting dates, or valuation methodologies may cause our reports to vary from the custodial statements.

### **Item 16 – Investment Discretion**

As described in Item 4, the Firm is a licensed broker-dealer whose primary business is managing portfolios on behalf of clients who sign a written authorization granting the Firm investment discretionary authority. This authority gives the firm the power to decide which securities to buy and sell, when to buy and sell them, in what quantities, and at what commission rates. This discretionary authority is limited in that, without written instructions from the client or legal authorities, Pershing does not permit the Firm to transfer funds or securities from a client's account to anyone other than the client. When selecting securities and constructing investment portfolios, the Firm considers the client's needs, preferences, tax situation, tolerance for risk, and investment objectives.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, the Firm does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. To meet our fiduciary duty, we ensure through our clearing firm that corporate information and proxy forms are distributed in a timely fashion to clients, unless the client specifically requests not to receive corporate communications. The Firm, upon request, may provide advice to clients regarding voting of proxies.

### **Item 18 – Financial Information**

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

## Supplement – Information about Jonathon E. Ciaio

### Item 1 - Cover Page

#### Jonathon E. Ciaio

P.R. Herzig & Co., Inc., 1 Expressway Plaza, Roslyn Heights, NY 11577 Tel: 516-621-0200

Supplement dated March 31, 2011.

Additional information available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

### Item 2 - Education Background and Business Experience

Jonathon E. Ciaio, CFA, CMT, born 1976, is the Firm's principal trader and a portfolio manager. He graduated from Cornell University in 1999 with a BS in applied economics and management. He was a financial adviser at UBS PaineWebber from 2000-2001 and joined the Firm in 2001. He earned the Chartered Financial Analyst designation in 2006, Chartered Market Technician designation in 2010, and is a member of the New York Society of Security Analysts and the Market Technicians Association.

The Chartered Financial Analyst (CFA) charter is a graduate-level investment credential established in 1962 and awarded by CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org). The Chartered Market Technician (CMT) designation is a leading industry credential awarded by the Market Technicians Association. Candidates must pass three exams totaling 10 hours covering a broad range of methods to evaluate securities by analyzing statistics generated by market activity.

### Item 3 - Disciplinary Information

None.

### Item 4 - Other Business Activities

Jonathon E. Ciaio is a registered representative of P.R. Herzig & Co., a broker-dealer.

### Item 5 - Other Compensation

None.

### Item 6 – Supervision

M. Thomas Herzig, President and Arthur Pesner, Compliance Officer, are responsible for supervising the advisory activities of all persons at the firm. They can be reached at the Firm's address and telephone number listed in Item 1.

### Item 7 – Requirements for State-Registered Advisers

Not applicable.

## Supplement – Information about Sumner Gerard

### Item 1 - Cover Page

#### Sumner Gerard

P.R. Herzig & Co., Inc., 1 Expressway Plaza, Roslyn Heights, NY 11577 Tel: 516-621-0200

Supplement dated March 31, 2011.

Additional information available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

### Item 2 - Education Background and Business Experience

Sumner Gerard, CFA, born 1953, is the Firm's director of research. He also provides analytical support to select institutional clients and manages portfolios. He graduated from Bowdoin College in 1976 with a BA in economics and French literature. He worked for 18 years at predecessor banks of JP Morgan Chase, including 5 years in Taiwan and 2 years in China, where he was the senior in-country officer. He was employed by a New York-based fund of funds from 2000-2001, and joined the Firm in 2002. He earned his Chartered Financial Analyst designation in 2000 and is a member of the New York Society of Security Analysts. He is an officer or trustee of several trusts and private charitable foundations.

The Chartered Financial Analyst (CFA) charter is a graduate-level investment credential established in 1962 and awarded by CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org).

### Item 3 - Disciplinary Information

None.

### Item 4 - Other Business Activities

Sumner Gerard is a registered representative of P.R. Herzig & Co., a broker-dealer.

### Item 5 - Other Compensation

None.

### Item 6 – Supervision

M. Thomas Herzig, President and Arthur Pesner, Compliance Officer, are responsible for supervising the advisory activities of all persons at the firm. They can be reached at the Firm's address and telephone number listed in Item 1.

### Item 7 – Requirements for State-Registered Advisers

Not applicable.

## Supplement- Information about M. Thomas Herzig

### Item 1 - Cover Page

#### **M. Thomas Herzig**

P.R. Herzig & Co., Inc., 1 Expressway Plaza, Roslyn Heights, NY 11577 Tel: 516-621-0200

Supplement dated March 31, 2011.

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### Item 2 - Education Background and Business Experience

M. Thomas Herzig, CFA, born 1954, is the Firm's president and chief portfolio manager. He joined the Firm in 1977 after earning a BA in economics and romance languages from Bowdoin College. He left the Firm in 1978 to earn an MBA from the University of Cape Town, South Africa, then rejoined the Firm in 1979. In 1982, he was an early recipient of the Chartered Financial Analyst designation. He is a member of the New York Society of Security Analysts, and a trustee of several trusts.

The Chartered Financial Analyst (CFA) charter is a graduate-level investment credential established in 1962 and awarded by CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org).

### Item 3 - Disciplinary Information

None.

### Item 4 - Other Business Activities

M. Thomas Herzig is a registered representative of P.R. Herzig & Co., a broker-dealer.

### Item 5 - Other Compensation

None.

### Item 6 - Supervision

M. Thomas Herzig, President and Arthur Pesner, Compliance Officer, are responsible for supervising the advisory activities of all persons at the firm. They can be reached at the Firm's address and telephone number listed in Item 1.

### Item 7 - Requirements for State-Registered Advisers

Not applicable.

## Supplement – Information about Arthur S. Pesner

### Item 1 - Cover Page

#### Arthur S. Pesner

P.R. Herzig & Co., Inc., 1 Expressway Plaza, Roslyn Heights, NY 11577 Tel: 516-621-0200

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### Item 2 - Education Background and Business Experience

Arthur S. Pesner, CFA, born 1963, is the Firm's chief financial officer and compliance officer. He graduated from Cornell University in 1985 with a BS in applied economics and management, then earned his MBA from the University of Michigan in 1987. He worked for the Securities and Exchange Commission (SEC) from 1988-1994 as a securities compliance examiner, and joined the Firm in 1994. He received the Chartered Financial Analyst designation in 1994 and is a member of the New York Society of Security Analysts.

The Chartered Financial Analyst (CFA) charter is a graduate-level investment credential established in 1962 and awarded by CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org).

### Item 3 - Disciplinary Information

None.

### Item 4 - Other Business Activities

Arthur S. Pesner is a registered representative of P.R. Herzig & Co., a broker-dealer.

### Item 5 - Other Compensation

None.

### Item 6 – Supervision

M. Thomas Herzig, President and Arthur Pesner, Compliance Officer, are responsible for supervising the advisory activities of all persons at the firm. They can be reached at the Firm's address and telephone number listed in Item 1.

### Item 7 – Requirements for State-Registered Advisers

Not applicable.