



SAFE HARBOR ASSET MANAGEMENT

**Brochure
and
Disclosure Document**

**205 East Main St., Suite 3-5
Huntington, NY 11743
Phone: (631) 421-4341
Fax: (631) 421-4677
skdavis@investsafeharbor.com
www.investsafeharbor.com**

DISCLOSURE STATEMENT

This summary is a restatement of the information on file with the New York State Department of Law and in compliance with Rule 204-3 of the Investment Advisors Act of 1940. It is offered to clients and prospective clients of Stephen K Davis Financial Services Ltd., DBA Safe Harbor Asset Management (“SAM”) as an open disclosure of our background and services and describes any conflicts of interest that may exist. The information has not been approved or verified by any governmental agency. A complete copy of our firms’ Form ADV is available upon request.

THE COMPANY

Stephen K. Davis Financial Services Ltd., DBA Safe Harbor Asset Management is a Registered Investment Advisor, currently registered in the States of Connecticut and New York, providing comprehensive advisory and portfolio management services to high net worth individuals, small businesses, corporations, Pension and Profit Sharing Plans, Trusts, etc..

PRINCIPALS

Stephen K. Davis, President, founded Safe Harbor Capital Corp in 1982 and incorporated the firm in 1989. The firm was reincorporated as Stephen K Davis Financial Services Ltd., DBA Safe Harbor Asset Management, in 1995 to provide asset management and financial planning to high net worth individuals and corporate pension plans. Stephen is FINRA (NASD) licensed for General Securities (series 7), Uniform Securities (series 63), and as Registered Principal (series 24).

Stephen is a Managing Field Associate with FSC Securities Corporation, A registered Broker/Dealer, and Member of FINRA/SIPC.

His specialties include:

- Portfolio design and management
- Comprehensive financial and estate planning
- Employee benefit plan design and analysis
- Portfolio analysis in investor litigation
- Retirement plan economic analysis in divorce mediation
- Capital Gains Tax avoidance strategies for business, real estate and equity sales

ADVISORY SERVICES

- Investment Portfolio Design, evaluation, implementation
- Employee benefits program design and administration
- Pension investment management
- Education funding analysis
- Retirement planning
- Estate Planning
- Business planning
- Tax management of investments and property
- Charitable Remainder Trusts
- Insurance evaluation

FINANCIAL PLANNING

Safe Harbor Asset Management endeavors to provide investment and financial planning services on an hourly fee or annual retainer basis. Many of our investment recommendations focus on no-load products in which associates of SAM receive no compensation from commissions. However, not all worthwhile investments are available on a no-cost or low-cost basis. In the event SAM implements an investment product in which the associates of the firm will receive a commission, this will be fully disclosed in advance to the clients.

Fees for single consultations are billed at an hourly rate of \$275.00 per hour, payable at the time of services. Full financial plans are billed at the same hourly rate, with a minimum fee of \$1500 paid in advance as a retainer. The remainder of the fee is due at completion and presentation of the agreed upon service. For consultations involving detailed research, the client will be billed for the additional costs. The client must prepay all additional expenses.

A financial planning agreement between SAM and the client may be terminated at any time upon written notice of either SAM or the client. If the client terminates the contract within the first five days, all prepaid fees will be returned. Thereafter, if the client terminates, a minimum administrative charge of \$75.00 per hour will be charged to the client. Total fees refunded will vary based on time and effort expended by SAM before termination.

ASSET ALLOCATION FEES

For fee based, discretionary, Strategic Asset Management services provided to clients, SAM is paid a quarterly fee in advance based on the clients assets under management calculated on the following schedule:

	PER ANNUM	PER QUARTER
First \$0 to \$250,000	2.5%	.625%
Next \$250,001 to \$500,000	1.0%	.25%
Next \$500,001 to \$2,000,000	.8%	.20%
Next \$2,000,000 to \$5,000,000	.6%	.15%
Amounts over \$5,000,001	Negotiable	Negotiable

(Management fees are negotiable at the discretion of the Investment Advisor)

The service may be terminated by either party upon thirty (30) days prior written notice. For services terminated by SAM the fees will be pro-rated based on the date of written notification and refunded to the client. For services terminated by the client, fee reimbursement for the quarter in which termination occurs, shall be pro-rated from the date of termination (notification plus thirty days) and refunded to the client.

ARBITRATION

In every business there is the potential for errors or conflict. Currently we are not aware of any complaints or pending litigation. Should there be any controversy or claim, including but not limited to errors and omissions rising out of or related to advice given by Safe Harbor Asset Management and its employees, it shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then applying. The award of the arbitrators or the majority of them shall be final and binding and not subject to review or appeal. Judgment upon any arbitration award rendered may be entered in any court having appropriate jurisdiction. This clause does not constitute a waiver of any right provided by the Investment Advisers Act of 1940, including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

POTENTIAL FOR CONFLICT OF INTEREST

Clients are informed of the potential conflict of interest when the SAM advisory representative receives fees for consultations and also commissions from sale of products. Clients are given the opportunity to purchase investments from unaffiliated brokers if desired.

PROPRIETARY INTEREST IN CLIENT TRANSACTIONS

SAM advisory representatives and employees may purchase and sell securities recommended to clients, for their own accounts. However, the interest of customers has precedence over the interests of Registered Person, their family members and employees of the firm, and in general, they may not benefit personally by receiving a better price than that received by a customer on a transaction executed in the same security on the same day on the same side of the market.

EDUCATIONAL AND BUSINESS STANDARDS

As a minimum standard, SAM requires that principal and advisory representatives have a FINRA (NASD) General Securities (Series 7) and Uniform Securities licenses (Series 63), along with extensive financial experience.

Preferably they have attained recognized professional designations of Certified Financial Planner (CFP), Certified Public Account (CPA), Chartered Financial Consultant (CFC), Chartered Financial Analyst (CFA).

INVESTMENT STRATEGIES AND METHODS OF ANALYSIS

SAM utilizes a global strategic asset allocation model. Portfolios are structured around a core of index and enhanced index funds with the limited addition of actively managed mutual funds and special situations (including but not limited to exchange traded: commodities, real estate, and private equity). We allocate portfolios using both domestic and international equity components, and U.S. fixed income components.

The investment process we use to determine portfolio components is rooted in the concepts of Modern Portfolio Theory. Emphasis is placed on the reduction of volatility by measuring the standard deviation and correlation coefficient of asset classes of specific funds and combining them in a manner that will increase the efficiency of the overall portfolio asset allocation. Further attention is given to cost reduction by choosing ETF's and low cost, low turnover, actively managed funds.

Sources of information SAM uses to perform security analysis include, but are not limited to: financial newspapers and magazines, financial databases, inspections of corporate activities, research reports prepared by others, corporate rating services.

ADVANCED RESEARCH CAPABILITIES

SAM has direct access to a number of information sources and databases that trace and predict information relating to U.S. and International economics, taxation, investments, mutual fund and variable annuity search databases. Among these are:

Advisory World
Advisor Software Inc.
Morningstar
Standard & Poor's