

Firm Brochure

(Part 2A of Form ADV)

Akar Capital Management, Inc.

8551 West Sunrise Boulevard

Suite 102A

Plantation, Florida 33322

Phone: 954-476-7011

Fax: 954-476-7014

akarcapital.com

emil@akarcapital.com

This brochure provides information about the qualifications and business practices of Akar Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at: 954-476-7011, or by email at: emil@akarcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Akar Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov

01/18/2023

Material Changes

Annual Update

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

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 954-476-7011 or by email at: emil@akarcapital.com

Table of Contents

Material Changes	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Fees and Compensation	1
Description.....	1
Termination of Agreement	2
Fee Billing	3
Expense Ratios.....	3
Performance-Based Fees	4
Sharing of Capital Gains	4
Types of Clients	4
Description	4
Account Minimums.....	4
Methods of Analysis, Investment Strategies and Risk of Loss	5
Methods of Analysis.....	5
Investment Strategies	5
Risk of Loss	5
Disciplinary Information	6
Legal and Disciplinary.....	6
Other Financial Industry Activities and Affiliations	6
Financial Industry Activities.....	6
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Code of Ethics.....	7
Participation or Interest in Client Transactions.....	7
Personal Trading.....	7

Brokerage Practices	7
Selecting Brokerage Firms.....	7
Review of Accounts	7
Periodic Reviews	7
Regular Reports.....	7
Client Referrals and Other Compensation	8
Incoming Referrals.....	8
Referrals Out	8
Custody	8
Account Statements.....	8
Investment Discretion	8
Discretionary Authority for Trading.....	8
Limited Power of Attorney.....	8
Voting Client Securities	9
Proxy Votes	9
Financial Information	9
Financial Condition	9
Business Continuity Plan	9
General	9
Disasters.....	9
Alternate Offices	9
Information Security Program	9
Information Security	9
Privacy Notice.....	9
Brochure Supplement (Part 2B of Form ADV)	11
Emil A. Akar	11

Advisory Business

Firm Description

AKAR CAPITAL MANAGEMENT, INC. was founded in 1982 as a Broker/Dealer and in 2000 added the fee-based part of its business as a Registered Investment Adviser. As of December 31, 2022, the firm has \$47,000,000.00 discretionary assets under management.

AKAR CAPITAL MANAGEMENT, INC. provides personalized confidential investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and small businesses. The process starts with an initial review of a prospective client's existing financial situation that includes his/her investment portfolio, retirement planning and estate planning. Based on these findings an investment strategy is designed to meet the investor's financial needs and objectives.

The investment strategy may include investing only in Individual Stocks, Mutual Funds, ETFs, or a combination of all. An Asset Allocation formula is used to determine what percentage of the portfolio is invested in Equities and Fixed Income in order to meet the client's investment goals.

Principal Owners

Emil A. Akar is a 100% owner of Akar Capital Management, Inc.

Types of Advisory Services

AKAR CAPITAL MANAGEMENT, INC. has three types of Advisory Services:

- 1- Managing a portfolio for the long term.
- 2- Managing a portfolio for Monthly Income distributions.
- 3- Retirement Accounts including rollovers of 401K plans.

The above portfolios use an asset allocation of stocks, mutual funds, ETFs, or a combination of all in order to achieve the clients' objectives.

Fees and Compensation

Description

AKAR CAPITAL MANAGEMENT, INC. bases its fees on a percentage of assets under management. We offer two fee schedules that are based on whether the portfolio includes Stocks only and/or Mutual Funds. The two schedules are listed as follows:

Managed Account of Stocks:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Minimum \$100,000	2.50%
Next \$400,000	2.00%
Next \$500,000	1.50%
Next \$1,000,000	1.00%
Over \$2,000,000	0.75%

Managed Account of Mutual Funds:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	1.00%
Up to \$1,000,000	0.75%
Up to \$2,000,000	0.50%
Over \$2,000,000	TBD

AKAR CAPITAL MANAGEMENT, INC., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Termination of Agreement

Any party upon written notice to the others may terminate this Agreement. If an Account is to be liquidated as the result of a termination notice it is understood that the Portfolio Manager may take up to two trading days to affect such liquidation following the date the liquidation request was received by the Portfolio Manager. Proceeds will be payable to the Client within ten (10) days of liquidation.

Termination of the Agreement will not affect the liabilities or obligations of the parties arising from transactions initiated prior to termination.

Fee Billing

Investment management fees are billed quarterly in arrears. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

AKAR CAPITAL MANAGEMENT, INC. will deduct our fee directly from your account through the qualified custodian holding your funds and securities provided that:

- The Client provides written authorization permitting the fees to be paid directly from the Client's account held by the custodian. AKAR CAPITAL MANAGEMENT, INC. does not have access to Client funds for payment of fees without Client consent in writing.
- AKAR CAPITAL MANAGEMENT, INC. sends the Client an invoice showing the amount of the fee, the period covered by the fee, the value of the Client's assets on which the fee is based.
- AKAR CAPITAL MANAGEMENT, INC. discloses to the Client that it is the Client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.
- AKAR CAPITAL MANAGEMENT, INC. will send an invoice to the custodian indicating the amount of the fee to be paid by the custodian.
- The custodian agrees to send the Client a statement, at least quarterly, indicating all amounts dispersed from the account, including the amount of the advisory fee paid directly to AKAR CAPITAL MANAGEMENT, INC. Clients are urged to review each statement for accuracy.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to AKAR CAPITAL MANAGEMENT, INC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Compensation for the Sale of Securities or Other Investment Products

AKAR CAPITAL MANAGEMENT, INC. is also a securities broker-dealer, and a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Additionally, certain individuals providing investment advice on behalf of our firm are also licensed as registered representatives.

AKAR CAPITAL MANAGEMENT, INC. and its dually licensed registered representatives will receive a \$35 commission based on transactions within a client account. AKAR CAPITAL MANAGEMENT, INC will receive 12b-1 fees for the sale of investment company products. 12b-1 fees are calculated and paid by mutual fund companies to AKAR CAPITAL MANAGEMENT, INC. They are separate from the fees paid to the firm by the account.

Compensation earned by AKAR CAPITAL MANAGEMENT, INC. and its dually licensed registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because we have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.

Performance-Based Fees

Sharing of Capital Gains

AKAR CAPITAL MANAGEMENT, INC. does offer performance-based fees as an alternative fee structure upon client request. The client must first meet advisor and SEC qualifications prior to engaging in this type of agreement. Fees are generally based on a percentage of profits earned. Clients should review pertinent fee agreement for more specifics about how this fee is charged.

Types of Clients

Description

AKAR CAPITAL MANAGEMENT, INC. generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations, or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$300,000.00.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis: Our method is quite simple. A company stock is considered for purchase only when it reports an earnings surprise that is much higher than expectations. When this occurs a four-step process must take place, and if they happen, the stock is purchased. The selling is determined either by a price objective to the upside or a stop loss on the downside.

Mutual Fund analysis: There are five steps used to narrow the list of Mutual Funds considered in our Asset Allocation plan for our clients:

- 1- The maximum draws down of the Fund in any period.
- 2- The tenure of the manager
- 3- The yearly performance results
- 4- The underlying assets in the portfolio vs. its objectives
- 5- Fees and expenses

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

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. Investment strategies consist of an allocation of stocks, mutual funds, or a combination of both.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

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

Other Financial Industry Activities and Affiliations

Financial Industry Activities

AKAR CAPITAL MANAGEMENT, INC. is also a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Additionally, certain individuals providing investment advice on behalf of our firm are also licensed as registered representatives.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of AKAR CAPITAL MANAGEMENT, INC. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

AKAR CAPITAL MANAGEMENT, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the AKAR CAPITAL MANAGEMENT, INC. *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of AKAR CAPITAL MANAGEMENT, INC. is Emil Akar. He reviews all trades each day. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

AKAR CAPITAL MANAGEMENT, INC. uses its Broker/Dealer part to execute all its client's transactions. All the accounts are held at a clearing firm who acts as the custodian.

In extraordinary circumstances, and at the discretion of AKAR CAPITAL MANAGEMENT, INC., another brokerage firm may be used based on clients' individual circumstances.

Review of Accounts

Periodic Reviews

Emil A. Akar performs account reviews monthly; however, all major positions are monitored on a daily basis.

Account reviews are performed more frequently when market conditions dictate.

Regular Reports

Clients receive periodic communications, as needed. Our custodian sends a monthly statement to each client.

Clients may request account statements more frequently if necessary.

Client Referrals and Other Compensation

Incoming Referrals

AKAR CAPITAL MANAGEMENT, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

AKAR CAPITAL MANAGEMENT, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

Where we directly debit your account(s) for the payment of our advisory fees, we are deemed to exercise custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Investment Discretion

Discretionary Authority for Trading

AKAR CAPITAL MANAGEMENT, INC. accepts discretionary authority to manage securities accounts on behalf of clients. AKAR CAPITAL MANAGEMENT, INC. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades for your account.

Voting Client Securities

Proxy Votes

AKAR CAPITAL MANAGEMENT, INC. does not vote proxies on securities. Clients are expected to vote their own proxies.

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

Financial Information

Financial Condition

AKAR CAPITAL MANAGEMENT, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Business Continuity Plan

General

AKAR CAPITAL MANAGEMENT, INC. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

Disasters

The Business Continuity Plan covers natural disasters such as: hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

AKAR CAPITAL MANAGEMENT, INC. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

AKAR CAPITAL MANAGEMENT, INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

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

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

Brochure Supplement (Part 2B of Form ADV)

Emil A. Akar

Date of birth: October 28, 1954

Educational Background:

- Institution: Salem State College, B.S. – Business Administration

Business Experience:

- President, Akar Capital Management, Inc. (1986 - present)

Disciplinary Information: None

Other Business Activities:

Cedars Property Management, President

Pine Island Commons Condominium Association, President

Pine Island Commons Master Association, President

Greene Family Charitable Foundation, Director

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None