



## **Form ADV Part 2A**

### **LEE INVESTMENT MANAGEMENT, LLC**

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This Brochure provides information about the qualifications and business practices of Lee Investment Management LLC. If you have any questions about the contents of this Brochure, please contact us at 518-580-0088 and/or by email at: [info@leemgt.com](mailto:info@leemgt.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 Lee Investment Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by a unique identifying number known as a CRD number. The CRD number for Lee Investment Management is 120535.

Lee Investment Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

**February 2025**

# Material Changes

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## Annual Update

Lee Investment Management is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure. The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Since the last filing of this ADV Part 2, the following material changes have been made:

- We have added the ability to use third party money managers in items 4, 5, and 8
- We have updated Form CRS to disclose the ability to use third party money managers
- We have added the ability to use Standing Letters of Authorization in item 15

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## Full Brochure Available

To obtain our Firm Brochure and Brochure supplements, which include information about our principals and advisors, please email: [info@leemgt.com](mailto:info@leemgt.com), or telephone James Lee at (518) 580-0088, or mail your request to the address shown above.

# Table of Contents

<b>Material Changes .....</b>	<b>ii</b>
Annual Update .....	ii
Material Changes since the Last Update .....	ii
Full Brochure Available .....	ii
<b>Advisory Business .....</b>	<b>1</b>
Firm Description .....	1
Principal Owners .....	2
Types of Advisory Services .....	2
Tailored Relationships .....	2
Types of Agreements .....	2
Financial Planning Agreement .....	2
Investment Advisory Services Agreements .....	3
Asset Management .....	4
Termination of Agreement .....	4
<b>Fees and Compensation .....</b>	<b>5</b>
Description .....	5
Financial Planning Fee .....	5
Fee Billing .....	5
Other Fees .....	6
Expense Ratios .....	6
Past Due Accounts and Termination of Agreement .....	6
<b>Performance-Based Fees .....</b>	<b>7</b>
Sharing of Capital Gains .....	7
<b>Types of Clients.....</b>	<b>7</b>
Description .....	7
Account Minimums .....	7
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>7</b>
Methods of Analysis .....	7
Investment Strategies .....	8
Risk of Loss .....	8
<b>Disciplinary Information .....</b>	<b>9</b>
Legal and Disciplinary .....	9

<b>Other Financial Industry Activities and Affiliations .....</b>	<b>9</b>
Financial Industry Activities .....	9
Affiliations .....	9
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>10</b>
Code of Ethics .....	10
Participation or Interest in Client Transactions .....	10
Personal Trading .....	10
<b>Brokerage Practices .....</b>	<b>11</b>
Research and Other Soft-Dollar Benefits .....	11
Brokerage for Client Referrals .....	13
Clients Directing Which Broker/Dealer/Custodian to Use .....	13
Aggregating (Block) Trading for Multiple Client Accounts.....	13
<b>Review of Accounts .....</b>	<b>14</b>
Periodic Reviews .....	14
Review Triggers .....	14
Regular Reports .....	14
<b>Client Referrals and Other Compensation .....</b>	<b>14</b>
Incoming Referrals .....	14
Referrals Out .....	14
<b>Custody .....</b>	<b>15</b>
Account Statements .....	15
Custody .....	14
Performance Reports .....	15
<b>Investment Discretion .....</b>	<b>15</b>
Discretionary Authority for Trading .....	15
Limited Power of Attorney .....	15
<b>Voting Client Securities .....</b>	<b>16</b>
Proxy Votes .....	16
<b>Financial Information .....</b>	<b>16</b>
Financial Condition .....	16
<b>Business Continuity Plan .....</b>	<b>16</b>
General .....	16
Disasters .....	16
Alternate Offices .....	16

<b>Information Security Program .....</b>	<b>17</b>
Information Security .....	17
Privacy Notice .....	17
<b>ADV Part 2B .....</b>	<b>18</b>
Education and Business Standards .....	18
Professional Certifications .....	18
James W. Lee, CFP®, CRPC®, AIF® - President .....	19

## Advisory Business

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### Firm Description

Lee Investment Management, LLC is a registered investment advisor with the United States Securities and Exchange Commission (“SEC”). Lee Investment Management was founded in 1998 by James W. Lee, its President and sole owner.

Lee Investment Management provides personalized confidential financial planning advice and investment management to individuals, pension and profit sharing plans, trustees, estate representatives, and business owners. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial issues, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, estate planning and planning for long-term care.

Lee Investment Management is strictly a fee-only financial planning and investment management firm. The firm does not sell products, annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products to earn commissions. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder or referral fees are accepted.

Investment advice is provided to clients as part of the financial planning and investment management service. Lee Investment Management places trades for clients under a limited power of attorney.

An evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur, but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Lee Investment Management refers clients to appropriate subject matter experts when advisable. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be in person, by telephone or video conferencing, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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**Principal Owners**

James W. Lee is the sole member of Lee Investment Management, LLC.

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**Types of Advisory Services**

Lee Investment Management provides investment supervisory services, also known as asset management services, and furnishes investment advice through consultations.

On more than an occasional basis, Lee Investment Management furnishes advice to clients on matters not involving securities, such as financial planning matters, which can encompass retirement planning, tax planning, college education funding, risk management, and estate planning.

As of December 31, 2024, Lee Investment Management managed approximately \$ 90,508,190 in assets for approximately 120 clients. All of the assets are managed on a discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our physical files and/or electronically in our financial planning and client relationship management systems. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships:

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**Financial Planning Service Agreement**

Under a Financial Planning Service Agreement, a plan is designed to help the client with specific or all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The firm charges \$250 per hour for financial planning services. It provides an estimate of the time it will take to complete the services. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee estimate will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary. Additional implementation work is billed separately at the rate of \$250 per hour.

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#### **Advisory Client Service Agreement**

Most clients choose to have Lee Investment Management manage their assets in order to obtain ongoing in-depth advice and financial planning under an Advisory Client Service Agreement. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Client Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Client Service Agreement can include: cash flow management; insurance review, investment management; education planning; retirement planning; estate planning, as well as the implementation of recommendations within each area.

**Tax Preparation & Planning:** Our services do not include tax planning and tax preparation, unless otherwise agreed to in the client agreement, however, we may refer you to a trusted third-party provider for tax preparation and planning when requested. In these cases, you will sign an information sharing authorization form to enable us to work with tax preparers/planners on your behalf in order for us to effectively facilitate the engagement when needed. We do NOT receive any referral or solicitation fees in exchange for you working with any provider that we recommend.



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**Asset Management**

Assets are invested primarily in mutual funds, individual fixed income securities and exchange-traded funds through Charles Schwab and Altruist. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Charles Schwab and Altruist may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through Charles Schwab and Altruist. Charles Schwab and Altruist may charge a fee for stock and bond trades. Lee Investment Management does not receive any compensation, in any form, from fund companies, Charles Schwab or Altruist.

As a general rule, we limit our advisory services to these investments: equities (stocks), exchange traded funds, corporate debt securities, annuities, commercial paper, certificates of deposit, municipal securities, investment company securities and United States government securities.

When appropriate, we utilize the services of third-party investment advisers (“Outside Managers”) to assist with the management of Client accounts. We assist Clients in completing the Outside Managers’ investor profile questionnaire, selecting an appropriate asset allocation model, interacting with the Outside Managers and conducting an ongoing review of the Outside Managers’ investment offerings and investment selection. Our review process and analysis of Outside Managers is further discussed in Item 8 of this Brochure. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account.

Pontera Solutions, Inc: In cases where the Client chooses to have Lee Investment Management advise on assets that are not held at a qualified custodian in which Lee Investment Management has an advisory relationship (See page 10 of this Brochure) referred to as “held-away accounts,” Lee Investment Management is able to provide investment management services of those held-away accounts through a third-party order management system, Pontera Solutions, Inc (“Pontera”). These held-away accounts include 401(k) accounts, 529 plans, variable annuities, and other similar accounts. Access to held-away accounts is achieved by the Client giving permission via a provided link through Pontera for the Advisor to make asset allocation changes via the Client’s online login credentials. These online credentials are never made available to, held or stored by Lee Investment Management. Access is restricted and Advisor will only have permissions to make changes to the allocation of funds or other securities in the account and will not at any time be able to adjust, add to or subtract from investment options, or any other plan policies or fees assessed by the plan or the fund providers, access the financial assets in the account, make deposits, withdrawals or distributions. These assets will be monitored using third party

account aggregation software where the account values and holdings are transmitted and viewed from the account aggregation software. These assets are included in calculating the total assets under management when assessing the annual advisory fee.

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**Termination of Agreement**

A client may terminate any of the aforementioned agreements at any time by notifying Lee Investment Management in writing and paying the prorated fee for the time spent on the investment advisory engagement prior to notification of termination.

Lee Investment Management may terminate any of the aforementioned agreements at any time by notifying the client in writing.

## **Fees and Compensation**

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**Description**

Lee Investment Management bases its fees on a percentage of assets under management and/or hourly charges.

The annual Advisory Client Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.20% on the first \$100,000;
- 1.10% on the next \$150,000 (from \$100,001 to \$250,000);
- 1.00% on the next \$250,000 (from \$250,001 to \$500,000);
- negotiable on assets above \$500,000

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

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

If Lee Investment Management utilizes an Outside Manager, the above fee schedule includes the Outside Manager's fee. Lee Investment Management will debit the Client's account for both the Outside Manager's fee, and Lee Investment

Management's advisory fee, and will remit the Outside Manager's fee to the Outside Manager.

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**Financial Planning Fees**

The hourly rate for work performed under the Financial Planning Service Agreement is \$250 per hour. A fee of \$500 is due upon engagement of Lee Investment Management under the Financial Planning Service Agreement.

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**Fee Billing**

Fees under the Advisory Client Service Agreement are billed quarterly, in arrears, meaning that we invoice the client after the three-month billing period has ended. Payment in full is expected upon invoice presentation. 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.

Fees under the Financial Planning Service Agreement are billed on an hourly basis at a rate of \$250 per hour. A \$500 fee is due upon engagement. Upon completion of work under the Financial Planning Service Agreement, an invoice is presented to the client for the time expended on the work performed. Payment in full is expected upon invoice presentation.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Lee Investment Management 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.).

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**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 Lee Investment Management.

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

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**Past Due Accounts and Termination of Agreement**

Lee Investment Management reserves the right to stop work on any account that is more than 30 days overdue. In addition, Lee Investment Management reserves the right to terminate any advisory client or financial planning service engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Lee Investment Management's judgment, to providing proper financial advice.

## Performance-Based Fees

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Lee Investment Management does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk for the client.

## Types of Clients

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**Description**

Lee Investment Management generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates and corporations or business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size under the Advisory Client Service Agreement is \$500,000 of assets under management.

Lee Investment Management has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of Lee Investment Management and their relatives, or relatives of existing client.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis

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

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

Lee Investment Management will affect on-site product due diligence when appropriate.

Other sources of information that Lee Investment Management may use include Morningstar Advisor, Charles Schwab, third party newsletters and research and the World Wide Web.

Employees of Lee Investment Management attend conferences, seminars and educational meetings sponsored by their affiliated organizations such as the Financial Planning Association, the National Association of Personal Financial Advisors and others.

Use of Outside Managers: We may refer Clients to Third Party Investment Advisers or advisory programs (“Outside Managers”). Our analysis of Outside Managers involves the examination of the experience, expertise, investment philosophies, and past performance of the Outside Managers in an attempt to determine if that Outside Manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Outside Manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the Outside Manager's compliance and business enterprise risks. A risk of investing with an Outside Manager who has been successful in the past is that they may not be able to replicate that success in the future. In addition, we do not control the underlying investments in an Outside Manager's portfolio. There is also a risk that an Outside Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the Outside Manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Services under the Advisory Client Service Agreement typically include helping the client to identify and define investment objectives and goals, establish time horizons, risk tolerances and asset allocations. In addition, services include portfolio construction, performance monitoring and reporting.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach assesses the risk appropriate for each client. 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 next year will not buy as much as a dollar today, 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 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**

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### **Legal and Disciplinary**

Lee Investment Management 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**

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### **Financial Industry Activities**

Lee Investment Management is not registered as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

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### **Affiliations**

Lee Investment Management has no outside affiliations.

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

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### **Code of Ethics**

The employees of Lee Investment Management 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.

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### **Participation or Interest in Client Transactions**

Lee Investment Management 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 Lee Investment Management's Policies and Procedures Manual.

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### **Personal Trading**

The Chief Compliance Officer of Lee Investment Management is James Lee. He reviews all employee trades. 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. Since most employee trades are small mutual fund trades, exchange-traded fund trades or fixed income trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **Factors Used to Select Custodians**

Advisor does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we have an obligation to seek the "best execution" of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian's services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian's:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);



- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

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### **Research and Other Soft-Dollar Benefits**

Advisor does not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab and Altruist may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody,

reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab's support services:

1. Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or

that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit you and your account.

2. Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
- provide pricing and other market data
- facilitate payment of our fees from our Clients' accounts
- assist with back-office functions, recordkeeping, and Client reporting

3. Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

4. Your brokerage and custody costs. For our Clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

Lee Investment Management offers investment advisory services through the custodial platform offered by Altruist Financial LLC, an unaffiliated SEC-registered broker-dealer and FINRA/SIPC member ("Altruist"). Lee Investment Management's Clients establish brokerage accounts through Altruist. Lee Investment Management maintains an institutional relationship with Altruist whereby Altruist provides certain benefits to Lee Investment Management, including a fully digital account opening process, a variety of available investments, and integration with software tools that can benefit Lee Investment Management and its Clients.

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**Brokerage for Client Referrals**

We receive no referrals from a custodian, broker-dealer or third party in exchange for using that custodian, broker-dealer or third party.

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**Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific custodian to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

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**Aggregating (Block) Trading for Multiple Client Accounts**

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs.

Accounts owned by our firm or access persons may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed at least quarterly by James Lee, President of Lee Investment Management.

He considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. In addition, he reviews portfolios to ensure they are consistent with the recommended strategic asset allocation for each client.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Clients will receive monthly statements from Charles Schwab and Altruist as well as year-end tax reports. Clients also receive weekly emails from Blueleaf, a

third-party account aggregation and portfolio reporting system. Lee Investment Management sends invoice letters to its clients quarterly.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

Lee Investment Management has been fortunate to receive many client referrals over the years. The referrals have come 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.

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### **Referrals Out**

Lee Investment Management does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to the third party firm.

## **Custody**

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### **Account Statements**

All assets are held at Charles Schwab and Altruist, which provide account statements directly to clients at their address of record or email address monthly.

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### **Custody**

In most cases, Lee Investment Management does not maintain custody of client assets. Lee Investment recommends that clients custody their assets at Charles Schwab.

Lee Investment Management may act as a trustee to a client account. In those cases, Lee Investment Management will maintain the client assets with Charles Schwab as a qualified custodian. In addition, Lee Investment Management will ensure that the client receives account statements from Charles Schwab at least quarterly and will undergo an annual surprise audit by an independent public accountant.

Lee Investment Management can establish a Standing Letter of Authorization or other similar asset transfer authorization arrangements (“SLOA”) with qualified custodians in order for us to disburse funds to accounts as specifically designated by the Client. With a SLOA a Client can typically authorize first-party and/or third-party transfers. If transfers are third-party, Lee Investment Management complies with each of the requirements and conditions enumerated below:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes Lee Investment Management, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization, and provides a transfer of funds 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. Lee Investment Management has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Lee Investment Management maintains records showing that the third party is not a related party of Lee Investment Management or located at the same address as Lee Investment Management.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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### **Performance Reports**

Performance information is available to clients through Blueleaf. Clients are urged to compare the account statements received directly from their custodians to the performance report information provided by Blueleaf.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

Lee Investment Management accepts discretionary authority to manage securities accounts on behalf of clients. Lee Investment Management has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used. Lee Investment Management does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment program that you have approved.

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**Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney that is part of account applications so that we may execute the trades that the client has approved.

## **Voting Client Securities**

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**Proxy Votes**

Lee Investment Management does not vote proxies on securities. Clients are expected to vote their own proxies if they choose.

When assistance on voting proxies is requested, Lee Investment Management will provide recommendations to the client.

## **Financial Information**

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**Financial Condition**

Lee Investment Management does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Lee Investment Management does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months in advance.

## **Business Continuity Plan**

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**General**

Lee Investment Management 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.

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**Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, 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, communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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**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**

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**Information Security**

Lee Investment Management maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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**Privacy Notice**

Lee Investment Management 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.

Only after receiving 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 (518) 580-0088, mail, fax, email to [jameslee@leemgt.com](mailto:jameslee@leemgt.com), 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.



# Lee Investment Management, LLC

## Firm Brochure Supplement

(Part 2B of Form ADV)

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### Education and Business Standards

Lee Investment Management requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: a Masters Degree, a CFP®, a CFA, a JD, or CPA/PFS. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Advisors have earned the following certifications and credentials that are explained below.

**Certified Financial Planner (CFP®):** Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 6-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience or two years of apprenticeship experience that meets additional requirements.
- Successfully pass the Candidate Fitness Standards and background check.
- Completion of 30 hours of continuing education every two years.

**NAPFA Registered Advisors®:** The top level of membership in the National Association of Personal Financial Advisors (NAPFA). NAPFA Registered Advisors® requirements:

- Bachelor's degree from an accredited college or university.
- Submit and gain approval of a peer reviewed sample comprehensive financial plan or participation in a comprehensive peer review of the firm's planning process.
- Possess the CFP® designation.
- Adhere to NAPFA's Fiduciary Oath
- Complete 60 hours of continuing education every two years.
- Provide investment and/or financial planning advice on a strictly fee only basis.

**AIF® - Accredited Investment Fiduciary®:** The AIF® Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process.

To receive the AIF® Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF® Designation, the individual must annually attest to the Code of Ethics and Conduct Standards and accrue and report a minimum of six hours of continuing education. The designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

**CRPC® - Chartered Retirement Planning Counselor™:** The CRPC® is a graduate-level designation program for experienced financial advisors who wish to offer more comprehensive retirement advice to individual clients. This program helps advisors define a “road map to retirement,” enabling them to focus on clients’ pre- and post-retirement needs, as well as issues related to asset management and estate planning. All CRPC® designation holders are responsible for completing 16 hours of Continuing Education credits every two years.

# James Lee, CFP®, CRPC®, AIF®

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**Year of Birth:** 1966

**Formal Education:**

- University of Virginia; Bachelor of Arts degree in Economics (1984)
- College for Financial Planning; Coursework in Financial Planning Process, Insurance and Investment Planning (1999-2006)
- College of St. Rose; Coursework in Retirement Planning, Tax Planning and Estate Planning (2008-2009)

**Business Background:**

- President, Lee Investment Management LLC (1998-Present)
- Institutional Salesman and General Securities Representative, CL King & Associates (1997-1998)
- Research Analyst, Federal Filings, Inc., a subsidiary of Dow Jones & Co. (1988-1997)

**Professional Designations Held:**

- CERTIFIED FINANCIAL PLANNER™ Practitioner (CFP®) (2014)
- Accredited Investment Fiduciary® (AIF®) (2022)
- Chartered Retirement Planning Counselor™ (CRPC™) (2022)

**Professional Associations:**

- Financial Planning Association – 2023 President, Board of Directors
- NAPFA (National Association of Personal Financial Advisors)

**Additional Compensation (Outside Business Activities):**

Mr. Lee serves as Administrator of the Town of Greenfield's Economic Development Loan Fund. He is compensated for his services. This activity accounts for approximately 2 hours of work per month outside of trading hours.

Mr. Lee serves on the Advisory Board for Practice Intel, a technology platform designed to help financial advisors provide high quality client experiences. He is compensated for his services. It is estimated that this activity will account for approximately 2 hours of work per month during trading hours.

**Supervision:**

Mr. Lee serves as the designated supervisor for Lee Investment Management LLC responsible for providing supervisory oversight regarding Lee Investment Management LLC's advisory business. Mr. Lee's contact information is (518) 580-0088 and [jameslee@leemgt.com](mailto:jameslee@leemgt.com). All supervision is performed on a regular and continuous basis where all transactional activity is reviewed and approved by Mr. Lee as well as review of ongoing management of investment advice and the issuance of financial plans.

**Disciplinary Action:** None