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Cambridge, MA 02141  
(617) 354-3222

**FORM ADV – PART 2A**  
January 2020

Item 1- Cover Page

This brochure provides information about the qualifications and business practices of Davinci Capital Management, Inc. (“Davinci”).

If you have any questions about the contents of this Brochure, please contact us at (617) 354-3222 or e-mail [info@davinci401k.com](mailto:info@davinci401k.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Davinci is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Davinci is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

As previously required by SEC rules, we have offered or delivered information about our policies, practices, and conflicts of interest to clients on at least an annual basis. Pursuant to new SEC rules, we will provide you with a summary of any materials changes to our Brochure by April 30 of each year. We may further provide other updated disclosure information about material changes, as necessary.

For Maine Residents, when information contained in the brochure or brochure supplement becomes material inaccurate an amendment will be sent to clients promptly. An amendment is considered to be delivered promptly if it is delivered within thirty (30) days of the event that requires the filing.

January 2, 2020: The following was amended to our ADV Part 2:

Item 4E- Assets under management changed from \$19.1 million to \$17.2 million as of December 31, 2019

You may request a copy of our current Brochure at any time, without charge, by calling us at (617) 354-3222 or e-mailing us at [info@davinci401k.com](mailto:info@davinci401k.com).

Additional information about Davinci is also available via the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC's website also provides information about any persons affiliated with Davinci who are registered, or are required to be registered, as investment adviser representatives of Davinci.

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**A. Registration**

Davinci is a state registered Investment Advisor. Davinci is currently registered in CT, ME, MA, NH and RI. Davinci has been an investment advisor since 2001.

**B. Principals of Davinci**

James McSweeney, born 1963; 1985 graduate of Marquette University with a B.S. in Business Administration. James is currently employed by Davinci as president and principal. James has completed the following registration exams with FINRA-Series 6, 26, 63, 65. James is also licensed with the MA Division of Insurance and holds licenses in Life Underwriting Training Council Fellowship, Registered Health Underwriter and Certified Long-Term Care Specialist.

Gregg Semprucci, born 1963; 1986 graduate of Northeastern University with a B.S. in Business Administration, Major in Accounting. Gregg is currently employed by Davinci as Chief Compliance Officer and Principal. Gregg currently holds professional designations of Chartered Financial Consultant and Chartered Life Underwriter. Gregg has completed the following registration exams with FINRA-Series 7, 6, 22, 24, 63. Gregg is also licensed with the MA Division of Insurance.

Robert F McGowan, born 1965; 1987 graduate of Bryant University with a B.S. in Business Administration. Robert is currently employed by Davinci as a principal. Robert has completed the following registration exams with FINRA-Series 6, 26, 63, 65. Robert is also licensed with the MA Division of Insurance.

Thomas Boyle, born 1955; 1979 graduate of Northeastern University with a B.S. in Finance. Thomas is currently employed by Davinci as a principal. Thomas has completed the following registration exams with FINRA-Series 7, 24, 63. Thomas is also licensed with the MA Division of Insurance.

**C. Description of Services Available***Individual Client Consulting*

Davinci Representatives offer asset management and asset allocation programs focused on completion strategies. These programs are designed for individuals and include investment strategies appropriate for each client's specific circumstances and objectives.

Davinci Representatives will assist clients in determining objectives and risk tolerance through fact finders, selecting an investment strategy that meets the objectives, implementing the investment strategy, and being available to review the investment strategy on an ongoing basis for appropriateness based on legislative, marketplace, and any changes in the client's personal financial situation.

*Retirement Plan Consulting*

Davinci Representatives offer Qualified Retirement Plan and Non-qualified Retirement Plan advisory services to Plan Sponsors.

Through the Retirement Plan Consulting program, advisors may assist plan sponsors with their fiduciary duties and provide investment advice based upon the particular needs of the plan and/or plan participants regarding investment management matters, such as:

- Investment selection and monitoring
- Investment Policy Statement support
- Initial and ongoing portfolio composition recommendations
- Participant education & advice programs

*Fee-In-Lieu of Commissions*

Davinci fee-in-lieu of commission program is available to Retirement Plan Advisory Service Clients and individual clients who custody their assets with National Financial Services ("NFS"). Davinci will charge the customer either a flat dollar or percent of assets advisory fee, not to exceed 2% of assets. These fees can be billed on a quarterly,

semi-annual or annual basis. The Davinci Representative may negotiate their respective fees with clients, please refer to the Davinci fee-in-lieu account applications for final full disclosure of fees. All fees will be withdrawn from the cash money market account in the brokerage account or direct billed.

Under this arrangement, client will not pay a commission to Davinci on any trade. However, client may be responsible for individual ticket charges for any trades. Clients also pay a fee representing the operating expenses for the mutual funds and internal expenses for any exchange-traded funds ("ETFs") that are included in the portfolio. For certain mutual funds, expenses may include distribution fees, such as 12b-1 fees. In addition to fund-level expenses, some mutual funds assess redemption fees to specific investors upon the short-term sale of its funds. Depending upon the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund or ETF for detailed information regarding fees. For programs that include individual securities, there may be separate fees for execution.

Neither Davinci nor its Representatives act with discretionary authority on any fee-in-lieu accounts.

#### **D. Individualized Services and Client-Imposed Restrictions**

The investment advisory services provided by Davinci Representatives rely almost exclusively on the personal information the client provides to the advisor. For Davinci advisors to provide appropriate investment advice and make appropriate investment recommendations, it is very important that clients provide accurate and complete responses to their advisor's questions about their financial condition, needs and objectives, and any reasonable restrictions they wish to apply to the securities or types of securities to be bought, sold, or held in their managed account. It is also important that clients inform their Davinci advisor of any changes in their financial condition, investment objectives, personal circumstances, and reasonable investment restrictions on the account, if any, which may affect the client's overall investment goals and strategies.

#### **E. Assets Under Management**

As of January 2, 2020, Davinci has \$17.2 million in assets under management.

### **Item 5 FEES AND COMPENATION**

#### **A. How You're Charged and How We're Compensated**

Fee-In-Lieu of commissions and Retirement Planning are generally provided for a fee, based upon a percentage of assets under management ("AUM"). This fee may range from 0.25% to 2%, based on the level and complexity of the service. These rates are negotiable between the advisor and the client.

Individual client consulting are generally provided at the negotiated rate or hourly rate of \$100 to \$300 based on the level and complexity of the service. These rates are negotiable between the advisor and the client.

At times, Davinci and /or its Representatives may earn commissions or fees on other investment or insurance related products. As a fee pay client, you are not obligated to purchase any other investment or insurance related products from us. Advisers may also act as a registered representative of Davinci Capital Management and my receive commissions on the purchase of investment products. In addition, each advisor may have an independent relationship with outside insurance companies, which include, but are not limited to, MetLife, Prudential, Genworth, Blue Cross Blue Shield, Harvard Pilgrim Health Care, Tufts Health Plan, The Principal, and Guardian. The sale of investment products through the broker dealer and insurance products may create a conflict of interest. These commissions may be used to offset any advisory fees or hourly fees, as agreed upon by the client and the advisor. All insurance based sales are disclosed as outside business activities of each advisor.

The Davinci Capital Management Advisory Service Agreement outlines our fee schedule and the particular items of our fee agreement. No contract shall be entered into Davinci or any adviser unless you have read this service agreement and its terms agreed upon by all parties.

#### **B. Fee Collection Process**

Davinci, through the account custodian, will debit the account management fee from the account automatically. The account management fee will be payable first from money market funds, or cash equivalents, if any, and second from the liquidation of a portion of the client's securities holdings, as advised by the client. Accounts will be

debited by the 15th day following the last day of the quarter, semi-annual or annual time period that is elected at the time the account is established.

Rather than automatic fee debiting from a client's account, clients may also have the ability to be direct billed by writing a check to Davinci for the fee amount. If you elect to be direct billed, invoices will be generated within 10 business days after the close of the quarter, semi-annual or annually, depending on your billing terms. All invoices are due to Davinci within 35 days of the invoice date.

Retirement Consulting and Fee-In-Lieu of clients pay fees monthly or quarterly, in arrears, based on the specific program selected by the client. Individual Client Consulting clients will pay fees at time of service or in monthly, quarterly, semiannual, or annual installments, as agreed to between the client and the advisor. In the event a client terminates an advisory agreement with Davinci and his or her advisor, Davinci will prorate such fees up to the termination date of the advisory agreement.

### C. BROKERAGE FEE/COSTS

For accounts cleared through NFS, Davinci typically passes on the securities clearance and settlement fees charged by its clearing broker/dealer. The standard transaction charges are as follows:

Listed Equities (including Closed End Mutual Funds-IPO's only)

Master Ltd. Partnership (on exchange)

Auto Market Orders up to 9,999 shares	\$17.50 \$1.50/trade
All Other Market Orders	\$17.50 \$0.15/share
All Other Orders	\$17.50 \$0.15/share

OTC Equities

\$17.50

(Listed and OTC Equity orders forced routed away will be charged \$2.00 routing fees (inclusive of third market orders))

UIT's

\$35.00

Money Market Instruments

\$30.00

(CD's, BA's, Commercial Paper)

Other

Precious Metals	\$45.00
International**	
Eurobond Clearance	\$50.00
All Other Foreign Securities	\$75.00

Post/Service Fee (all trades)

\$8.00

\* In the event NFS is charged execution or other handling fees from and execution provider. NFS may revise the execution fees and impose certain handling fees with prior notice to correspondent.

\*\* The above surcharge is in addition to the clearing charges noted above. ADR's and Canadian Securities are exempt from the surcharge.

Mutual Funds (including Fidelity Advisor Funds)

Load & No-Load Funds

Buys	\$17.00
Sells	\$17.00
Exchanges	\$8.50 each
PIP's / SWP's	\$3.00

Concessions Correspondent (Davinci) retains the full dealer concession. Dealer concessions are subject to change by the fund distributors) Special Programs 1. No Transaction Fee (NTF) Program. NFS currently has arranged for all no-load funds as referenced in the INSTITUTIONAL FUNDS NETWORK® listed to be free of clearing and execution charges.

Fidelity Retail Funds: NFS has arranged for trades executed in Fidelity

Investment Retail funds to be free of clearing and execution charges. However, in the event that these funds are no longer offered to NFS free of clearing and execution charges, NFS will modify Exhibit A (fully disclosed clearing charges) with prior notice to the Correspondent (Davinci) to reflect a clearing and execution charge for them.

Note: The list of participating fund families may be subject to the change by the fund distributors.

**ADDITIONAL FEES/CHARGES:**

TOA Deliveries (ACAT Exit Fee)	\$75.00 each
Legal Transfers (charge when deposited stock certificate requires legal documentation)	\$30.00 per issue
Transfer and Ship (charge for sending physical certificate to client)	\$125.00 each
Trade and Margin Extensions	\$20.00 per extension
Mailgrams	\$10.00 per mailgram
Physical Reorganizations	\$50.00 per event
Legal Returns	\$55.00 each
Bounced Check Fee	\$25.00 each
Stop Payments	\$25.00 each
Annual Custody Fee <sup>1</sup>	\$40.00 each account

**ADDITIONAL FEES/CHARGES (cont.):**

NFS Brokerage Access Asset Management Account	
Visa Classic Debit Card	\$60.00 per year
Visa Gold Debit Card	\$100.00 per year
Visa Platinum Debit Card	\$150.00 per year

NFS IRA, Rollover IRA, Roth IRA, BDA IRA,  
SEP IRA, SIMPLE IRA, Keough Prototypes  
("Premiere Select IRA")

Maintenance	\$35.00 per account per year <sup>2</sup>
Liquidation	\$75.00 per account <sup>2</sup>

Wire Transfer Fee \$15.00 per wire

Foreign Securities Transfer Pass through fees Overnight Fee \$25.00

<sup>1</sup> The Annual Custody Fee is assessed on each account with holds a position, and for which there has been no trading activity during the prior calendar year. Transactions such as Mutual Fund PIPs/SWPs, Exchanges, NTFs as well as equity divided reinvestments and margin interest are considered trading activity. This fee will be charged in January following the calendar year of no activity. The parameters for the annual custody fee are subject to review by National Financial.

<sup>2</sup> As defined by:

- All open accounts including accounts with zero balance.
- All closed accounts as long as such accounts have a balance greater than zero.

In addition to the charges noted above, clients may also incur certain charges imposed by third parties other than Davinci or the advisor in connection with certain investments. Davinci and your advisor may receive a portion of these fees. These include, but are not limited to:

- Mutual fund or money market 12b-1 fees and sub-transfer agent fees;
- Mutual fund and money market management fees and administrative expenses;
- Mutual fund transaction fees;
- Certain deferred sales charges on previously purchased mutual funds transferred into the account;
- Other transaction charges and service fees;
- IRA and qualified retirement plan fees; and
- Other charges that may be required by law.

#### **D. Prorated Rebate of Fees**

In the event a client terminates an advisory agreement Davinci bills clients in arrears for services that have already been rendered, Davinci will prorate such fees up to the termination date of the advisory agreement.

#### **E. Other Forms of Compensation**

Davinci and your advisor may receive service fees and other compensation from investment product sponsors when they make recommendations or investment decisions for you. These fees and compensation include, but are not limited to, mutual fund and money market 12b-1 and sub-transfer agent fees, mutual fund and money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into an account, marketing reimbursements or reallowances, or other transaction or service fees.

Davinci and your advisor may receive a portion of these fees. This additional compensation presents a potential conflict of interest because Davinci and your advisor may have a greater incentive to recommend (or make investment decisions regarding) investments for your account that provide such additional compensation to Davinci or your advisor. Further information regarding fees and charges assessed to you by investment products you purchase is available in the appropriate prospectus.

All clients have the option to purchase investment products that their advisor recommends through other brokers or agents that are not affiliated with Davinci.

These other types of compensation will play a role in the total asset under management fee agreed upon by you and your advisor (i.e. total fee may be reduced due to other forms of compensation).

#### **Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Davinci does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 TYPES OF CLIENTS**

Davinci generally provides advisory services to the following types of clients:

- Individuals (other than high-net-worth individuals)
- High-net-worth individuals
- Pension and profit-sharing plans (other than plan participants)

The majority of Davinci clients are retail clients that fall under the “Individuals (other than high-net-worth individuals)” category. This category includes, but is not limited to, individual, joint, trust, IRA, 401(k) participant, and custodial accounts.

Davinci does not have an account minimum to open an account.

#### **Item 8 METHODS OF ANALYSIS AND INVESTMENT STRATEGIES AND RISK OF LOSS**

Investing in securities involves risk of loss that investors should be sure they understand and should be prepared to bear. Each advisor associated with Davinci has the independence to take the approach he or she believes is most appropriate when analyzing investment products and strategies for clients. There are several sources of information that Davinci and the advisor may use as part of the investment analysis process. These sources include, but are not limited to:

- Financial publications
- Research materials prepared by others
- Corporate rating services
- SEC Filings (annual reports, prospectus, 10-K, etc.)
- Company press releases

As a firm, Davinci does not favor any specific method of analysis over another and therefore would not be considered to have one approach deemed to be a “significant strategy.” There are, however, a few common approaches that may be used by Davinci or your advisor, individually or collectively, in the course of providing

advice to clients. Please note that there is no investment strategy that will guarantee a profit or prevent loss. Following are some common strategies employed by advisors in the management of client accounts:

*Dollar Cost Averaging (“DCA”)*: The technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. More shares are purchased when prices are low, and fewer shares are bought when prices are high. DCA is believed to lessen the risk of investing a large amount in a single investment at higher price. DCA strategies are not effective and do not prevent against loss in declining markets.

*Asset Allocation*: An investment strategy that aims to balance risk and reward by allocating assets among a variety of asset classes. At a high level, there are three main asset classes—equities (stocks), fixed income (bonds), and cash/cash equivalents—each of which has different risk and reward profiles/behaviors. Asset classes are often further divided into domestic and foreign investments, and equities are often divided into small, intermediate, and large capitalization. The general theory behind asset allocation is that each asset class will perform differently from the others in different market conditions. By diversifying a portfolio of investments among a wide range of asset classes, advisors seek to reduce the overall volatility and risk of a portfolio through avoiding overexposure to any one asset class during various market cycles. Asset allocation does not guarantee a profit or protect against loss.

*Technical Analysis (a.k.a. “Charting”)*: A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security’s intrinsic value. Instead, they use charts and other tools to identify patterns that can suggest future activity. When looking at individual equities, a person using technical analysis generally believes that performance of the stock, rather than performance of the company itself, has more to do with the company’s future stock price. It is important to understand that past performance does not guarantee future results.

*Fundamental Analysis*: A method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security’s value, including macroeconomic factors (e.g., the overall economy and industry conditions) and company-specific factors (e.g., financial condition and management). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security’s current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis.

*Quantitative Analysis*: An analysis technique that seeks to understand behavior by using complex mathematical and statistical modeling, measurement, and research. By assigning a numerical value to variables, quantitative analysts try to replicate reality mathematically. Some believe that it can also be used to predict real-world events, such as changes in a share price.

*Qualitative Analysis*: Securities analysis that uses subjective judgment based on nonquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. This type of analysis technique is different from quantitative analysis, which focuses on numbers. The two techniques, however, are often used together.

## **B. Risk of Loss**

As mentioned above, regardless of what strategy or analysis is undertaken, there is risk of loss; in some cases, total loss. Some risks may be avoided or mitigated, while others are completely unavoidable. Some of the common risks you should consider prior to investing include, but are not limited to:

- **Market risks:** The prices of, and the income generated by, the common stocks, bonds, and other securities you own may decline in response to certain events taking place around the world, including those directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate, and commodity price fluctuations.
- **Interest rate risks:** The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally will decline when interest rates rise and will increase when interest rates fall.

In addition, falling interest rates may cause an issuer to redeem, “call,” or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower-yielding securities.

- **Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

- **Risks of investing outside the U.S.:** Investments in securities issued by entities based outside the United States may be subject to the risks described above to a greater extent. Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

#### **Item 9 DISCIPLINARY INFORMATION**

Davinci does not have any legal or disciplinary events to disclose.

All clients are able to obtain the disciplinary history of the firm and all registered investment advisors by contacting:

Massachusetts Securities Division

The Commonwealth of Massachusetts

William Francis Galvin, Secretary of the Commonwealth

One Ashburton Place, 17<sup>th</sup> Floor

Boston, MA 02108

(617) 727-3548

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

Davinci is also a FINRA registered broker/dealer under the name, Davinci Capital Management. The broker/dealer CRD number is 46897. Davinci, the broker/dealer, advisors’ offer a variety of securities and investments to their clients including, but not limited to, mutual funds, stocks, Section 529 college savings plans and variable annuities. Clients are not obligated from purchasing additional products from the broker/dealer. Davinci has a fully disclosed clearing arrangement with NFS through a tri-party piggy back arrangement with Maplewood Investment Advisors.

#### **Item 11 CODE OF ETHICS**

Davinci has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. Our Code of Ethics is designed to ensure that we meet our fiduciary obligations to you and to foster a culture of compliance throughout our firm.

Our Code of Ethics is comprehensive and is designed to help us detect and prevent violations of securities laws and to help ensure that we keep your interests first at all times. We distribute our Code of Ethics to each supervised person at Davinci at the time of his or her initial affiliation with our firm; we make sure it remains available to each supervised person for as long as he or she remains associated with our firm; and we ensure that updates to our Code of Ethics are communicated to each supervised person as changes are made. Davinci’s Code of Ethics sets forth certain standards of conduct and addresses potential conflicts of interest among Davinci and Davinci’s employees, agents, advisors, and advisory clients.

Clients and prospective clients of Davinci may request a free copy of Davinci's Code of Ethics by mailing a written request to:

Davinci Capital Management  
801 Cambridge Street  
Cambridge, MA 02141

Generally, Davinci does not buy or sell securities for its own account that it recommends to (or purchases or sells for) clients. Davinci advisors, however, may purchase or sell for their own accounts securities or other investment products that are also recommended to clients, which may create a conflict of interest. Davinci policy prohibits advisors from "trading ahead" of their clients' transactions. When purchasing or selling securities for the personal accounts of advisors and their clients, priority must be given to the advisor's client transactions. Davinci has implemented surveillance and exception reports that are designed to identify and correct situations in which the personal transactions of advisors are placed ahead of the advisors' clients.

#### **Item 12           BROKERAGE PRACTICE**

##### *Retirement Plan Consulting Clients & Financial Planning*

Clients have the option to select the specific custodian for their Pension and Profit-Sharing Plans. Davinci Capital Management does not require that you utilize a specific custodian for Retirement Plan Consulting or Financial Planning.

##### *Fee-In-Lieu Clients*

All clients must utilize Davinci Capital Management, Inc. (CRD 46897) as the broker/dealer of record for their Fee-In-Lieu of accounts. The Fee-In-Lieu of accounts requires that you open and maintain your account at National Financial Services.

Davinci Capital maintains a primary clearing relationship for the execution of client transactions with National Financial Services (NFS). Davinci Capital selected NFS as its primary custodian/broker to hold client assets and execute transactions on terms that are advantageous when compared to other available providers and their services. In making this determination a wide range of factors was taken into account, including, (1) the combination of transaction execution services and asset custody services; (2) the ability to execute, clear and settle trades; (3) the ability to facilitate transfers and payments to and from accounts; (4) the range of available investment products and services; (5) quality of services and firm reputation, size and stability; and (6) price competitiveness. Client electing the Fee-In-Lieu of Commission accounts must utilize National Financial Services as their custodian.

Not all investment advisers who are dually registered as broker/dealers or who have affiliated broker/dealers require their clients to use the adviser's broker/dealer to execute transactions. While Davinci Capital is able to negotiate competitive pricing from NFS that it believes is beneficial to its client, Davinci Capital does receive an economic benefit from using itself as the broker/dealer for its Investment Advisory accounts rather than an unaffiliated broker/dealer. Davinci Capital adds its own costs to the transactions charges applied to NFS accounts and receives mutual fund 12b-1 fees, which may cause a conflict of interest. By using Davinci Capital as the broker/dealer you may be unable to achieve most favorable execution of client transactions, which may cost clients more money.

Davinci Capital does not receive any research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions. In other words, Davinci does not accept any "soft dollar benefits".

Accounts are separate and mutual fund transactions do not have the opportunity to be aggregated.

#### **Item 13           REVIEW OF ACCOUNTS**

Davinci Compliance and Operations principals periodically review client accounts and financial plans to identify situations that may warrant either a more detailed review or a specific action on behalf of an advisory client. Reviews are conducted by the following members of the senior management staff.

Gregg P. Semprucci, Chief Compliance Officer  
James McSweeney, President & Principal

Robert McGowan, Principal  
Thomas Boyle, Principal

At a minimum of quarterly, the Compliance Department reviews all trades, correspondence and suitability of accounts in a detailed manner. Daily the Compliance Department reviews distribution reports, trade blotters, journal reports and personal securities reports (to identify violations of Code of Ethics). Davinci does not issue client reports based upon this review.

**Item 14 CLIENT REFERRALS AND OTHER COMPENSATION**

Davinci does not compensate for client referrals or use of solicitors.

**Item 15 CUSTODY**

If the Client establishes a brokerage account with Davinci in its broker/dealer capacity, the fee-in-lieu of commission accounts custody services are provided by Davinci's clearing broker/dealer, NFS, through a tri-party piggy back arrangement with Maplewood Investment Advisors.

All pension service assets are held in custody at the investment firm they are opened with (ie. Vanguard, Standard, Fidelity).

Davinci does not directly hold custody of any assets. Statements are provided by the custodians on a quarterly basis. Clients should carefully review the statements they receive from their account custodians for accuracy.

**Item 16 INVESTMENT DISCRETION**

Davinci does not have discretion over client accounts. All trades are unsolicited or solicited and require customer review and approval.

**Item 17 VOTING CLIENT SECURITIES**

Clients will receive all voting securities or other solicitations directly from their custodian or transfer agent. As a matter of firm policy, and in accordance with this Brochure and our advisory client agreements, neither Davinci nor its advisors have or will accept the authority to vote proxies on behalf of advisory clients in any situation where Davinci or the adviser acts as investment adviser to the client. Davinci or its advisors may, but are not obligated to, provide advice to clients regarding the clients' voting of proxies. In all cases, clients must either retain the responsibility for receiving and voting proxies for any and all securities maintained in their managed accounts, or they must appoint a third-party investment adviser or other person who is not associated with Davinci to vote proxies for their managed accounts. In the event the advisor chooses to provide advice to clients designed to assist the client in making a decision as to how to vote their proxies, the advisor has a fiduciary duty to disclose to the client any material conflicts of interest the advisor may have with respect to such advice. In all cases, Davinci or the advisor will send, or will cause to be sent, all such proxy and legal proceedings information and documents it receives to the client, so that the client may take whatever action the client deems advisable under the circumstances. Clients can call their advisors with questions regarding voting securities or other solicitations received.

**Item 18 FINANCIAL INFORMATION**

Davinci does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance; have discretionary authority on accounts; or been subject to any bankruptcy petitions.

**Item 19 REQUIREMENTS FOR STATE ADVISERS**

All information was previously disclosed in the ADV Part 2B.