

Form ADV Part 2A: Firm *Brochure*



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This brochure provides information about the qualifications and business practices of Alpha Group Enterprises, LLC. If you have any questions about the contents of this brochure, please contact us at +1 (914) 804-8990 or robrusso@alphagroup.enterprises. 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 Alpha Group Enterprises, LLC (CRD # 285279) is also available on the SEC's website at www.adviserinfo.sec.gov

Any reference to being 'registered' or being a 'registered investment advisor' does not imply or assume a certain level of skill or training.



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No material changes to report.

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Item 4: Advisory Business**A. Description of the Advisory Firm**

Alpha Group Enterprises, LLC is a Limited Liability Company organized in the state of New York. The company was founded in July of 2016, and is principally owned by Robert J. Russo, Jr.

B. Types of Advisory Services

Alpha Group Enterprises, LLC offers the following services to its' advisory clients:

Portfolio Management Services

Alpha Group Enterprises offers portfolio management services on an ongoing basis to clients ranging from individuals and families, high-net worth individuals, business owners, as well as pooled investment vehicles, among others. Each portfolio management client relationship is governed by the goals, objectives, circumstances, and risk tolerance levels discussed and outlined in the Investment Policy Statement (IPS) created specific to each client. Portfolio Management services may include, but are not limited to, the construction and implementation of portfolios designed to meet the needs and objectives of the client outlined in the IPS; the asset allocation and security selection decisions for said portfolios; as well as the monitoring and rebalancing of portfolios in response to market driven events and changes to the clients' individual circumstances.

Financial Planning & Consulting Services

From time to time, Alpha Group Enterprises may be engaged on an hourly rate basis for the purpose of providing financial planning and consulting services. These services may include, but are not limited to, creating and developing plans for reaching specific financial goals, budgeting and personal financial statement construction and analysis, providing financial advice and analysis related to a major purchase or investment or asset sale for personal and/or business purposes, as well as review and analysis of any estate planning needs/concerns.

Publication of Periodicals and/or Newsletters

Alpha Group Enterprises may occasionally publish, for educational and/or informational purposes, periodicals and/or newsletters relating to the investment business, current market trends, individual securities, and financial planning topics, among others.



Security Ratings or Pricing Services

On occasion, Alpha Group Enterprises may engage in the valuation and/or pricing/rating and analysis of individual securities or portfolios of securities on an hourly or flat rate basis as required by its clients' periodic needs.

Educational Seminars/Workshops

Alpha Group Enterprises may offer Seminars/Workshops related to a range of topics for the purpose of educating and informing attendees and potential clients of the firm on various relevant investment/financial topics as determined by the firm.

Services Limited to Specific Types of Investments

Alpha Group Enterprises generally limits its universe of investments to equities, fixed income, ETFs, derivatives, mutual funds, REITs, government securities, as well as other types of securities as appropriate given the circumstances and nature of the relationship and services being offered to the client.

C. Client Tailored Services and Client Imposed Restrictions

Alpha Group Enterprises tailors its services to the specific needs and circumstances of each client as outlined and agreed upon in the Investment Policy Statement. Services may vary between clients as it relates to the goals, objectives, individual circumstances, and risk tolerance levels, among other factors. Clients may impose restrictions on the investment in specific types of securities based on a number of factors.

D. Wrap Fee Programs

Alpha Group Enterprises does not currently offer Wrap Fee Programs to its clients.

E. Client Assets Under Management

As of October 4th, 2016, Alpha Group Enterprises has \$0.00 in client assets under management on both a discretionary and non-discretionary basis.

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Services

Fees related to Portfolio Management Services are determined as a percentage of Assets Under Management (AUM) and are negotiable in limited circumstances based on the particular needs and circumstances of the client and their relationship with the firm. Clients are provided a 5-day grace period from the day they sign the advisory contract to terminate the agreement without penalty, and either party may terminate the advisory agreement at any time by providing the other with a ninety (90) day written notice to provide for an orderly liquidation and/or transfer of securities. Fees are collected on a monthly basis in arrears requiring no refund policy, and are deducted directly from the client's account on the first (1st) of each month with written authorization.

<u>Total Assets Under Management</u>	<u>Annual Fee (%)</u>
\$0.01 - \$200,000	2.00%
\$200,001 - \$1,000,000	1.75%
\$1,000,001 - \$5,000,000	1.50%
Greater than \$5,000,000	1.25%

Financial Planning & Consulting Services

Fees related to Financial Planning & Consulting Services are billed at a rate of \$300 per hour and are payable within 15 days of the completion of services.

Performance-Based Fees

Qualified clients will be charged an asset based fee as determined in the above table and outlined in their Investment Policy Statement, as well as performance based fee of 18% of net profits above a pre-determined high water mark. Performance fees are billed quarterly in arrears and may be negotiable on a case by case basis depending on the particular circumstances of the agreement. All final terms will be clearly defined in the advisory contract prior to engagement.

Publication of Periodicals and/or Newsletters

Periodicals and Newsletters created and published by the firm will primarily be provided on a subscription and/or complimentary basis depending on the particular circumstances of the publication.



Security Ratings or Pricing Services

Compensation related to Security Ratings and/or Pricing Services will be charged on a flat rate and will vary on a case by case basis depending on the complexity, size, and scope of the engagement. All terms will be clearly defined and agreed upon in contract prior to commencement.

Educational Seminars/Workshops

Fees as it relates to Educational Seminars/Workshops will vary depending on the type, size, and scope of the event and topics/activities being covered.

B. Payment of Fees

Portfolio Management Services - fees are deducted directly from the client's accounts with written authorization. These fees are paid on a monthly basis in arrears.

Performance-Based Fees - fees are deducted directly from the client's accounts with written authorization and are paid quarterly in arrears.

C. Other Client Charged Fees

All third party fees incurred in the usual course of business (e.g. custodian fees, mutual fund fees, brokerage and transaction fees, etc.) will be the responsibility of the client, and are unrelated to the fees charged by Alpha Group Enterprises. Alpha Group Enterprises receives no benefit relating to these fees and further information can be found in Item 12 of this brochure.

D. Pre-payment of Fees

Alpha Group Enterprises does not require any pre-payment of fees.

E. External Compensation from Sale of Securities to Clients

Neither Alpha Group Enterprises nor its personnel collect any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

Alpha Group Enterprises collects performance-based fees on certain accounts based on a share of capital gains or capital appreciation of the assets in a client's account. These performance-based fees are charged only to Qualified Clients who meet



certain requirements as follows and prescribed by the Securities and Exchange Commission:

1. A natural person who, or company that, immediately after entering into the contract has at least \$1,000,000 under management of the investment advisor
2. Has a net worth (together with assets held jointly with a spouse, in the case of a natural person) of greater than \$2,100,000, excluding the client's primary residence.

Qualified Clients are charged an asset-based fee as outlined in Item 5A as well as their advisory contract, and a performance-based fee of 18% of net profits above a high water mark. Performance fees are paid quarterly in arrears, and either party may terminate their agreement with a ninety (90) day written request.

Item 7: Types of *Clients*

The firm offers advisory services to High-Net-Worth Individuals and Families, Businesses, Pooled investment vehicles, Foundations, Not-for-Profits, and Institutions, among others. Account minimum of \$50,000 may be waived at the advisor's discretion.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Material Risks

Alpha Group Enterprises employs a number of analytical methods in its formulation of investment advice and managing assets. These include fundamental analysis, quantitative analysis, and technical analysis, as well modern portfolio theory.

Fundamental Analysis – involves an analysis of a company's financial statements, the overall landscape of the industry in which the company competes, its management, as well as factors that may influence the company's ability to sustain and grow earnings and market share. It generally involves seeking out securities that are priced attractively, or undervalued, relative to the perceived fundamental value of the security.

Quantitative Analysis – involves the analysis of a variety of factors impacting an individual security, a portfolio of securities, or the financial markets as a whole, by means of complex mathematical and statistical modelling, including multiple regression analysis, time-series forecasting, among others.

Technical Analysis – involves the analysis of securities based on a study of past market data, including price action and volume, support/resistance levels, among others.

Modern Portfolio Theory – Is a theory of portfolio management that assumes investors are risk-averse, and thus seek to construct portfolios in which the expected return of the portfolio is maximized, while concurrently minimizing the level of risk assumed in the portfolio.

Investing in securities involves the risk of loss that clients should be prepared to bear.

B. Investment Strategies and Material Risks

Alpha Group Enterprises employs a number of investment strategies. These can include derivative transactions (including covered and uncovered options, spreads, etc.), short sales, trading on margin, as well as frequent trading and long-term investing. Clients should be aware that these strategies can and do carry a greater degree of material risk of loss. These strategies generally seek to enhance investment performance or mitigate risk, but may also result in higher transaction costs and greater risk of loss than otherwise would be realized.

Investing in securities involves the risk of loss that clients should be prepared to bear.

C. Security Specific Material Risks

Alpha Group Enterprises does not generally seek to employ investment strategies that carry significant or unusual risk. The firm does, however, use strategies including derivative transactions, margin transactions, and short sales. It is important that clients are aware of the generally higher degree of risk inherent in these investment strategies.

Equity – generally refers to the purchase of shares of stock or ownership in a company in return for dividends and/or capital gains should the value of the stock increase. When purchasing stock, there is the risk that the firm may not perform to expectations, or that the value of the security may otherwise decrease in value, resulting in a loss of capital.

Fixed-Income – generally refers to investment in securities which offer a pre-determined fixed (or variable) payment stream in the future. Fixed-income investing carries risks including default risk, prepayment risk, interest rate risk, inflation risk, etc.

Mutual Funds – investing in mutual funds carries the risk of capital loss if the underlying securities in the fund decreases in value. Mutual funds have additional costs and expenses that decrease investment returns, and are not guaranteed or FDIC insured products.

Exchange Traded Funds – carries the risk of capital loss. Investments in these securities are not guaranteed or insured by any government agency, and while

generally diversified, may have concentrations in particular assets that could pose an increase in risk of loss.

REITS – have specific risks including default risk, declining values of underlying assets, interest rate risk, prepayment risk, and market risk, among others.

Real Estate – Interest-rate risk, liquidity risk, market risk, risk of capital loss, among other risks that can influence the value of Real Estate and related funds.

Derivative Transactions – entail the purchase or sale of a contract, giving the holder of the contract the right, but not obligation, to purchase or sell a specific security at an agreed upon price, for a finite period of time. Derivative contracts can expire worthless for the buyer, and can create theoretically unlimited losses for the seller, and are thus subject to the risk of capital loss.

Margin Transactions – involves using leverage, or money borrowed from a broker/dealer, to purchase securities in amounts that may exceed the value in the account. This practice can increase losses and magnify inherent risks.

Short Sales – entails the theoretically unlimited risk of capital loss.

Short-term Trading – risks include capital loss, liquidity, volatility.

Long-term Investing – risks inherent in the overall marketplace effect this type of investing, including, but not limited to, inflation risk, market risk, interest-rate risk, and political/regulatory risk.

Investing in securities involves the risk of loss that clients should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

B. Administrative Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

C. Self-regulatory Organization (SRO) Proceedings

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

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Neither the Firm nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures or Commodity Registration



Neither the Firm nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interests

Neither Alpha Group Enterprises nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

Alpha Group Enterprises does not recommend or select other investment advisors or third party managers.

Item 11: Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

A. Code of Ethics

Alpha Group Enterprises adheres to a strict Code of Ethics that is available free upon request to all clients and prospective clients of the firm. The firm's Code of Ethics covers topics including Personal Trading, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Insider Trading, Compliance Procedures, Training and Continuing Education, Handling Violations, Recordkeeping, among other firm policies and topics.

B. Recommendations Involving Material Financial Interests

Alpha Group Enterprises does not make recommendations that clients buy or sell any security in which the firm or a related person to the firm has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Alpha Group Enterprises representatives may at times buy or sell securities for their own accounts at or around the same time as clients. This may create an opportunity for representatives to buy or sell securities before or after recommending securities to clients, and could create a conflict of interest. The firm always puts its client's interests above its own interests when buying and selling securities for its' client accounts and its own.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealer

Custodians and/or Broker/Dealers are chosen based on a review of transaction and other related costs, execution expertise, support services, reputation in the marketplace, and access to desired products and securities. Alpha Group Enterprises passes through any third-party costs to the client and does not add a premium, or 'mark-up', to any costs charged by the Custodian.

1. Research and Other Soft-Dollar Benefits

Alpha Group Enterprises receives soft-dollar benefits in connection with securities transactions for clients. These benefits can include research, products, and services offered by the broker/dealer. There are no minimum requirements or incentives imposed by the broker/dealer for receipt of such benefits. These benefits, however, can create an incentive to allocate client brokerage to broker/dealers offering such services, which could potentially be counter to a clients' interest. Alpha Group Enterprises always seeks to align the interests of its clients ahead of the interests of the firm.

2. Brokerage for Client Referrals

Alpha Group Enterprises receives no client referrals in exchange for directing brokerage to any broker/dealer or other third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Alpha Group Enterprises allows clients to direct brokerage if it so chooses. The firm does, however, recommend specific custodians, and it is advised that adhering to the recommended custodians may enhance best execution of client transactions. Additionally, clients who choose to direct brokerage may experience higher transaction costs, as the firm will be unable to aggregate client orders (block trade).

B. Aggregating (Block) Trading for Multiple Client Accounts

The firm, when possible, will aggregate trades across multiple client accounts. Block trading can enhance execution and transaction costs experienced by the client by allowing the firm to purchase securities in larger quantities. Opting out of this practice may result in higher costs to the client.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Conducts the Reviews

All client accounts and financial plans are reviewed at least Quarterly by Robert J Russo, Jr, Chief Investment Officer. The reviewer makes updates and revisions to

the clients' individual circumstances, investment policies, asset allocation, risk tolerances, etc.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Changes in a clients' individual/family/business circumstances and financial profile as well as economic, market and politically driven changes that could trigger a non-periodic review of clients' accounts.

C. Content and Frequency of Regular Reports Provided to Clients

Clients each receive written reports detailing the clients' accounts including market values, current holdings, performance, etc. These reports are generated independently at least quarterly and mailed directly to the client for review.

Item 14: *Client Referrals and Other Compensation*

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Alpha Group Enterprises does not receive any material economic benefit from any third parties for advice rendered to clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

On occasion, Alpha Group Enterprises may enter into written agreements with non-advisory personnel (individuals, organizations, etc.) for client referrals. Such agreements will be for pre-determined compensation and in adherence with applicable State and Federal regulation. Each client that is referred to Alpha Group Enterprises in relation to a compensation agreement outlined above shall be provided a copy of this brochure as well as a separate document disclosing the nature of the relationship between the firm and the referring party, as well as the amount of compensation paid.

Item 15: *Custody*

Alpha Group Enterprises, with written authority provided by the client, has limited custody of clients' assets through direct withdrawal of fees owed to the firm. If clients choose to have fees withdrawn directly from their third party brokerage account, Alpha Group Enterprises would have constructive custody over said account and written authorization from the client. Account statements and billing invoices will be sent directly from the custodian on a quarterly or more frequent basis, and clients are encouraged to review these statements for accuracy.

Item 16: Investment Discretion

Alpha Group Enterprises accepts discretionary authority, by execution of a limited power of attorney, to manage securities accounts on behalf of its' clients. This authorization is granted in the advisory contract between the firm and the client, as well as in the contract between the client and the custodian.

Item 17: Voting *Client* Securities

The firm does not engage in voting of proxies on behalf of the client for securities owned. Upon request, the firm may provide assistance on voting proxies to the client. The client will receive proxies directly from their account's custodian or transfer agent. If a conflict of interest exists as it relates to voting their securities, it will be disclosed to the client.

Item 18: Financial Information**A. Balance Sheet**

Alpha Group Enterprises does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet for the most recent fiscal year.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

The firm and its related persons does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to its clients.

C. Bankruptcy Petitions in Previous Ten Years

There have been no bankruptcy petitions by the firm or its' related persons at any time over the last ten (10) years.

Item 19: Requirements for State-Registered Advisers**A. Additional Information about Management and Supervised Persons**

Information related to the business and formal educational background of the firm's principal executive officers and management persons can be found in the Supplement to this Brochure (Part 2B of Form ADV Part 2)

B. Material Relationships Maintained by this Advisory Business or Management persons with Issuers of Securities

The Firm, nor its management persons, have any material relationships with issuers of securities.

