

THE  
**RANDOLPH**  
COMPANY

Inspired. Involved. Invested.

**Form ADV Part 2A**  
**Brochure**

March 27, 2018

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**This Brochure provides information about the qualifications and business practices of The Randolph Company. If you have any questions about the contents of this Brochure, please contact us at (513) 891-7144 or at [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.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 The Randolph Company is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for The Randolph Company is 104868.**

**The Randolph Company is a registered investment advisor; however, being registered does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

The following material changes have been made to this Brochure since the last update of March 22, 2017:

- A Brochure Supplement was added for Daniel P. Helmick. Dan started his career with The Randolph Company in April 2017 as a Portfolio Manager.
- The Brochure Supplement for Neil J.J. Hantak, Jr., was removed as he left The Randolph Company in March 2017.
- In July 2017, Sherry L. Wright's position was promoted from Compliance Advisor to Compliance Officer.

The following non-material changes have been made to this Brochure since the last update of March 22, 2017: Item 4 has been revised to reflect The Randolph Company's discretionary assets under management as well as its non-discretionary assets as of December 31, 2017. Other non-material changes have been made to this Brochure which are not specified in this summary. Consequently, we encourage you to read this Brochure in its entirety.

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#### **Item 4. Advisory Business**

The Randolph Company (“RCO”) is an investment advisory firm organized in 1996 that offers portfolio management to high net worth individuals and families, trusts and foundations. Carter F. Randolph has been an investment consultant for over 30 years, possesses a Ph.D. in Finance and has been the principal owner of RCO since 1996. Carter Louis Randolph (“Louie”) joined RCO in November 2016 and serves as the Client Relationship Manager and has over five years of retail experience in building client relationships. Daniel P. Helmick (“Dan”) is a Portfolio Manager with over 10 years of experience in the financial services industry with the last five years concentrated in research and portfolio management. Dan joined RCO in April 2017.

RCO’s primary objective is to provide discretionary portfolio management to meet our clients’ unique goals, needs and risk tolerances. RCO’s primary investment approach is based on purchases and sales of individual stocks pursuant to our research.

Clients grant RCO full discretion, allowing us to use our skills, expertise and experience to make investment choices designed to accomplish their financial goals. However, clients may impose restrictions on investing in certain types of securities by written notice to RCO.

As of December 31, 2017, RCO managed on a discretionary basis \$615,795,488 of client assets and maintained non-discretionary client assets totaling \$6,242,565.

#### **Item 5. Fees and Compensation**

Fees for investment advisory services are based on the market value of securities in accounts managed by RCO on the last day of each calendar quarter -- March, June, September and December. The Billing Summary is sent to clients, and fees are automatically deducted from accounts by the end of the months of April, July, October and January. There are no prepaid fees.

RCO’s fees are calculated using the annual schedule below and are billed for the previous quarter:

- .90% of the first \$1,000,000 (.23% quarterly)
- .80% of the next \$1,000,000 (.20% quarterly)
- .65% of ALL funds thereafter (.16% quarterly)

The minimum annual fee is \$750.00 which may be waived at RCO’s discretion.

For example: a fourth quarter fee would be calculated on the market value of the account at the close of business on December 31 and charged to the account prior to January 31:

**December 31 Market Value = \$2,895,000**  
\$1,000,000 @ .23% = \$2,300  
\$1,000,000 @ .20% = \$2,000  
\$ 895,000 @ .16% = \$1,432  
**Total Quarterly Fee = \$5,732**

Any related accounts constitute a “household”. All household accounts aggregating more than \$3,000,000 are subject to a negotiated fee schedule.

There will be additional brokerage expenses relating to trades. RCO’s broker-dealer charges \$6.95 per equity trade. In addition, there are small incidental fees (less than .002%) charged by the various exchange markets to cover the costs of supervising and regulating the markets. RCO may invest client accounts in exchange-traded funds (“ETFs”) and/or mutual funds. These types of investments may charge fees as disclosed in the respective fund’s prospectus. RCO does not receive a portion of these fees nor does it receive any other compensation for the purchase or sale of securities or other investment products.

#### **Item 6. Performance Based Fees and Side by Side Management**

RCO does not offer to manage investments with a fee based on capital gain or capital appreciation. The investment advisory management fee is based on the market value of securities in a client’s account on the last day of each calendar quarter.

#### **Item 7. Types of Clients**

RCO offers investment management to high net worth individuals and families, trusts and foundations. The required minimum balance to open an account is \$1,000,000. This minimum may be waived at RCO’s discretion.

#### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

RCO’s investment strategy is focused on the purchase of high quality companies at prices that represent good value along with low levels of debt; pay and grow dividends; and are leaders in their industry. RCO’s security screening process incorporates fundamental and technical analyses. Fundamental analysis involves analyzing a company’s financial statements to determine the fair value of the business as compared to its market value. RCO also reviews management’s experience and performance and the company’s outlook within its industry. Technical analysis is utilized by RCO to forecast a company’s future financial price movements based on reviews of past price movements.

RCO tends to be a value investor and does not chase momentum trends or invest in high valuation stocks. A high valuation would be an investment that is priced at a level that we believe overstates the future potential for the investment. RCO is mindful of sector weighting and manages portfolios to reflect a similar sector weighting to the S&P 500 Index. However, the Portfolio Management Team reserves the right to overweight, underweight or exclude sectors in portfolios at their discretion. Ongoing due diligence and monitoring of securities are conducted on a regular basis. The Investment Committee meets regularly to review macroeconomic news, portfolio strategy, sector weights, portfolio holdings and other topics.

RCO invests primarily in equities, and depending upon the clients’ needs, may also invest accounts in exchange-traded funds (“ETFs”), mutual funds and/or bonds. Accounts with a market value of \$1,000,000 and more are largely invested in individual securities. Accounts with market values between \$500,000 and

\$1,000,000 are invested in a combination of ETFs and individual securities. As these accounts increase in value, RCO gradually decreases the EFT positions and transitions these accounts to mostly individual securities. Accounts with a market value of \$500,000 and under are invested in ETFs to promote tax efficiency and minimize both transaction and management costs.

***Risk of Loss:***

All investments bear event risk which is specific to the company issuing the security and systemic risk where events impact the entire economy. RCO attempts to mitigate risk through investment selection and diversification. RCO may also utilize covered call writing, which is selling call options on securities currently held in a client's account. No matter how RCO invests a client's portfolio, the fact remains that investing is risky, and loss of principal is possible.

**Item 9. Disciplinary Information**

The Randolph Company, Carter F. Randolph, Ph.D., Carter Louis Randolph, Daniel P. Helmick and employees have not been involved in any disciplinary actions.

**Item 10. Other Financial Industry Activities and Affiliations**

RCO has no material relationships or arrangements with any individuals or entities to report hereunder. RCO does not recommend or select other investment advisers for its clients.

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

Carter F. Randolph, Ph.D., Carter Louis Randolph, Daniel P. Helmick and employees recognize their fiduciary duty to clients as well as their duty to comply with federal and state securities laws and all other applicable laws. RCO, through its Code of Ethics and Policies and Procedures, adheres to certain principles and obligations to ensure the interests of the client is RCO's number one priority. Our Code of Ethics is available to any current or prospective client upon request to [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) or 513-891-7144.

RCO manages portfolios for employees and their family members. To avoid conflicts, aggregate trades are primarily used. Securities are purchased or sold in a block account and then allocated to each participating client account once the trade is complete. The aggregation is designed to promote fairness among client accounts with regard to execution and price. Each participating client account will receive the average execution price. Partial fills of a purchase or a sale will be allocated first on a pro-rata basis to client accounts not associated with employees or their family members.

If an employee and/or their family members have direct or indirect beneficial ownership of an account(s) which is held outside of RCO and is managed and/or has trades implemented by the employee, the employee must adhere to the provision in RCO's Policies and Procedures that states "*no purchases or sales, directly or indirectly, of a security may be transacted in the account without the prior written approval of the Chief Compliance Officer or his designee.*" In order to avoid any conflicts of interest that may arise between an employee and a client as a result of personal trading, employees must arrange to have account statements, at least quarterly, and transactional confirmations sent directly to the Chief Compliance Officer or his designee.

RCO will not disclose non-public client information.

### **Item 12. Brokerage Practices**

#### ***Selection of a Broker:***

RCO selects the broker-dealer and custodian for its clients. The broker-dealer is evaluated on its financial condition, commission rates, best execution capability and responsiveness. In particular, RCO considers the broker-dealer's ability to quickly fill purchase/sell orders at the best available price, the ability to access markets that provide the greatest potential to fill large and small orders and to charge commissions that are competitive with other broker dealers. The selected broker-dealer is also expected to consistently execute trades in an accurate and professional manner. In making the determination to use any particular broker-dealer, RCO's objective is not necessarily to obtain the lowest possible cost, but to obtain the best qualitative execution under the circumstances. As a result, the commissions and transaction fees charged by the broker-dealer may be higher or lower than those charged by other broker dealers.

#### ***Incentives:***

RCO does not receive incentives from the broker-dealer directly related to client transactions. RCO may purchase portfolio management and securities analysis services from a vendor that has a relationship with our broker-dealer at a reduced price. These reduced prices are not related to any client transactions.

#### ***Securities Transactions:***

RCO may aggregate multiple client orders for the purchase or sale of the same security into a single transaction. The allocations are typically calculated in advance to placing the order. If the trade is executed, each participating client account typically receives a price that represents the average of the aggregated transaction. Such aggregation may enable RCO to obtain for clients a more favorable price, achieve better execution or a better commission rate based upon the volume of a transaction. If the order is only partially filled, the securities purchased or sales proceeds are allocated to participating client accounts on a pro-rata basis. See Item. 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, above for further explanation regarding allocation to employee and family member accounts.

### **Item 13. Review of Accounts**

RCO monitors the individual investments in clients' portfolios each day the market is open. Portfolio performance is reviewed on a quarterly basis at a minimum. In-person, client portfolio review meetings are conducted annually or more frequently, as requested. Market conditions, changes in the economic landscape, or other factors could cause a more frequent review of portfolios. Carter F. Randolph is the investment advisor responsible for the reviews.

Monthly written reports are issued directly to clients by the custodian of their account; such reports reflect all transactions and market value of each security. RCO may produce additional written reports with portfolio information at the client's request.

#### **Item 14. Client Referrals and Other Compensation**

RCO does not receive cash or any economic benefit from a non-client in connection with giving advice to clients.

RCO does not directly or indirectly compensate any person for client referrals.

#### **Item 15. Custody**

RCO does not have physical custody of client funds and/or securities. TD Ameritrade Institutional (“TDA”) serves as RCO’s qualified custodian and maintains client assets in separate accounts. Monthly statements are generated by TDA and are either mailed directly to clients or the client receives an email notice that statements are available to be viewed on TDA’s secure website, [www.advisorclient.com](http://www.advisorclient.com). It is the client’s choice as to how they receive statements. Clients should carefully review their monthly statements and report any errors or omissions to RCO at (513) 891-7144 and also to TDA (866) 523-6251 #2.

RCO may perform activities on behalf of clients where RCO may be deemed to have custody of clients’ assets. Two examples of RCO having deemed custody are: (1) Some clients have signed standing letters of authorization that are on file with TDA allowing RCO to perform money transfers to third parties on the client’s behalf; and (2) Clients have also authorized RCO to withdraw quarterly investment management fees directly from their accounts.

#### **Item 16. Investment Discretion**

RCO accepts discretionary authority to manage security portfolios on behalf of clients. Before assuming this authority, the client is asked to execute RCO’s Investment Advisory Agreement wherein the client grants RCO full discretionary authority to manage their account. Under this authority, RCO will supervise and direct, in its sole discretion, the investments in each client account without further consultation with the client. This authority is subject to limitations and restrictions that the client may request in writing.

#### **Item 17. Voting Client Securities**

It is RCO’s policy not to vote client securities. Clients will receive their proxies directly from the custodian via mail or email. If a client has questions regarding a proxy vote, they may contact RCO at (513) 891-7144.

#### **Item 18. Financial Information**

RCO does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

#### **Item 19. Requirements for State-Registered Advisers**

RCO is a federally registered investment adviser, so this Item does not apply.



# Carter F. Randolph, Ph.D.

## **The Randolph Company, Inc.**

4200 Malsbary Road  
Cincinnati, Ohio 45242  
(513) 891-7144  
March 22, 2018

*This Brochure Supplement provides information about Carter F. Randolph, Ph.D., that supplements The Randolph Company Brochure. You should have received a copy of that Brochure. Please contact Sherry Wright (513) 891-7144 or [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) if you did not receive The Randolph Company's Brochure or if you have any questions about the contents of this Brochure Supplement.*

*Additional information about Carter F. Randolph, Ph.D., is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Item 2. Educational Background and Business Experience**

Carter F. Randolph, Ph.D.

D.O.B.: 6/10/1956

BBA University of Cincinnati, 1978

MBA University of Cincinnati, 1979

Ph.D. University of Cincinnati, 1986

1986 to 1996, Investment Advisor, DBA Carter F. Randolph, Ph.D.

1989 to present, President, Greenacres Foundation, Inc.

1996 to present, President and Chief Compliance Officer, The Randolph Company, Inc.

1998 to present, Chairman, Planet Products Corporation

1992 to present, President, L&L Nippert Charitable Foundation, Inc.

2006 to present, Managing Member, CFRPHD, LLC

### **Item 3. Disciplinary Information**

Neither Carter F. Randolph, Ph.D., nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Dr. Randolph provides administrative services to trusts and charitable foundations, and he owns a manufacturing company. He is President of the Greenacres Foundation and the L&L Nippert Charitable Foundation and serves on the Board of Directors for L.I.F.E. Foundation and Bold and Brave Kid's Foundation. Dr. Randolph also serves as a trustee of several trusts.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

As the majority owner, President and Chief Compliance Officer of The Randolph Company, Carter F. Randolph, Ph.D., maintains ultimate responsibility for The Randolph Company's investment activities including investment decisions, operations and account reviews. Dr. Randolph oversees the activities of The Randolph Company's supervised persons in accordance with its Policies and Procedures Manual. Should any questions arise regarding any supervised person's supervision or compliance practices, Dr. Randolph or Sherry L. Wright, Compliance Officer who assists Dr. Randolph with the implementation of its Policies and Procedure Manual, should be contacted at (513) 891-7144.

## Carter Louis Randolph (“Louie”)

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### **The Randolph Company, Inc.**

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*Additional information about Carter Louis Randolph is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Item 2. Educational Background and Business Experience**

Carter Louis Randolph (“Louie”)

D.O.B: 07/27/1988

Bachelors of Arts in Communication; University of Cincinnati, 2011

May 2011 to September 2011, Life Insurance Representative & Recruiter, Primerica Financial Services

September 2011 to July 2014, Retail Sales Representative, Verizon Wireless Corporation

July 2014 to November 2016, Solutions Manager, Verizon Wireless Corporation

November 2016 to Present, Client Relationship Manager, The Randolph Company

### **Item 3. Disciplinary Information**

Neither Carter Louis Randolph nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Carter Louis Randolph has no other business activities.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

As the majority owner, President and Chief Compliance Officer of The Randolph Company, Carter F. Randolph, Ph.D., maintains ultimate responsibility for The Randolph Company’s investment activities including investment decisions, operations and account reviews. Dr. Randolph oversees the activities of The Randolph Company’s supervised persons, including Carter Louis Randolph, in accordance with its Policies and Procedures Manual. Should any questions arise regarding any supervised person’s supervision or compliance practices, Dr. Randolph or Sherry L. Wright, Compliance Officer who assists Dr. Randolph with the implementation of its Policies and Procedure Manual, should be contacted at (513) 891-7144.

# Daniel P. Helmick

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## **The Randolph Company, Inc.**

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March 22, 2018

*This Brochure Supplement provides information about Daniel P. Helmick that supplements The Randolph Company Brochure. You should have received a copy of that Brochure. Please contact Sherry Wright (513) 891-7144 or [sherry@therandolphcompany.com](mailto:sherry@therandolphcompany.com) if you did not receive The Randolph Company's Brochure or if you have any questions about the contents of this Brochure Supplement.*

*Additional information about Daniel P. Helmick is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

### **Item 2. Educational Background and Business Experience**

Daniel P. Helmick  
D.O.B: 10/03/1984  
Bachelor of Science in Finance; Northern Kentucky University, 2006  
Masters of Business Administration; Northern Kentucky University, 2010

February 2012 to June 2015, Research Analyst & Assistant Portfolio Manager, The Bank of Kentucky  
June 2015 to February 2016, Practice Coordinator, Raymond James  
March 2016 to March 2017, Director of Research & Portfolio Management, Resonate, Inc.  
April 2017 to Present, Portfolio Manager, The Randolph Company

### **Item 3. Disciplinary Information**

Neither Daniel P. Helmick nor The Randolph Company has been involved in any disciplinary events.

### **Item 4. Other Business Activities**

Daniel P. Helmick has no other business activities.

### **Item 5. Additional Compensation**

There is no other compensation or economic benefit from other sources.

### **Item 6. Supervision**

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