

# *Amherst Financial Services, Inc.*

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## *Disclosure Brochure*

*March 22, 2011*

This brochure provides information about the qualifications and business practices of Amherst Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 716.632.8974. 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.

Amherst Financial Services, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Amherst Financial Services, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Material Changes

On August 12, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which requires us to provide clients and prospective clients (“you, your, yours”) with a brochure and brochure supplements written in plain English. This brochure dated March 22, 2011 is prepared according to the SEC’s new requirements and rules. As a result, we are providing you with a brochure that not only looks different, but contains more information than our earlier disclosure documents.

Amherst Financial Services, Inc. (“Amherst Financial, we, us, our, ours”) has offered or delivered information about our qualifications and business practices to clients on an annual basis. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting

Robert Monin, President and Chief Compliance Officer at 716.632.8974 or [rmonin@fscadvisor.com](mailto:rmonin@fscadvisor.com).

Our brochure is also available on our website <http://www.amfinserv.com>. We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC’s website also provides information about any persons affiliated with Amherst Financial who are registered as investment adviser representatives of Amherst Financial. Information on our investment adviser representatives who work with your account can be found in our brochure supplements on the page shown in the table of contents to the right of this column.

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## **Advisory Business**

4A Amherst Financial is a corporation organized under the laws of New York. Robert Monin founded the Williamsville, NY-based investment advisory firm in 1990 and is the principal owner. Amherst Financial is a state registered investment advisory firm.

4B We offer professional financial planning services. You may choose a plan which is comprehensive in nature, or plans which cover only areas of specific concern to you. We will collect financial data from you and assist you in developing a plan is tailored to your financial goals and objectives. The extent of our services may vary depending on your advisory representative and your needs and sophistication. At your request, we will work with other professionals (attorneys, accountants, etc.) as your joint consultant. In preparing your financial plan, we consider:

- your financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You are under no obligation to implement your financial plan through us or through anyone recommended by us.

4C In advising you on your investment portfolio, we consider your financial situation, risk tolerance, investment horizon, liquidity needs, tax considerations, investment objectives, and any other issues important to your state of affairs. You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

## **Fees and Compensation**

5A Fees for services rendered can be either at:

- a fixed yearly rate (ranging from \$300 to \$5,000),
- an hourly rate (ranging from \$150 to \$350 per hour) or
- a set fee (from \$500 to \$7,500) for a specific service rendered.

In all cases, the billing method will be agreed upon between the firm and the client prior to services being rendered based on the extent of the services requested. All fees are negotiable at our sole discretion.

5C In addition to our fee, you may be required to pay other charges such as:

- custodial fees,

- brokerage commissions,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and
- other fees and taxes on brokerage accounts and securities transactions.

If you choose to implement your plan through FSC, (see section 5E), some of these fees may be paid to or shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of

our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

5D Clients are normally billed in advance on a semi-annual basis or at the time a particular service is rendered. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Should either one of us terminate the advisory agreement we have entered into the client typically receives a pro rata refund of any prepaid, but unearned, fees. Any unpaid fees become immediately due and payable.

5E Our advisory representatives are also registered representatives and investment adviser representatives of FSC Securities Corporation (“FSC”), a registered broker/dealer, member FINRA/SIPC, and registered investment adviser. If you choose to implement your financial plan through FSC, commissions may be earned by your financial advisor in addition to any fees paid for advisory services. In addition, the financial advisor may be entitled to a portion of the internal expense fees (such as 12b-1 fees) charged by mutual funds.

Our advisory representatives are also licensed with various insurance companies. Commissions may be earned by our financial advisors if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

### ***Performance-Based Fees***

6Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

### ***Types of Clients***

7We provide advisory services primarily to individuals and families, including their trusts, estates and retirement accounts.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

8A AFS makes recommendations regarding investments for your portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

8BAlthough we evaluate your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Our investment strategies may include long-term and short-term purchases and sales, trading (securities sold within 30 days) and the use of options and margin. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we make recommendations regarding your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss. The client makes the final decision about the investments.

8CYou must also be aware that the use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

### ***Disciplinary Information***

9We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

### ***Other Financial Industry Activities and Affiliations***

10We have no relationships or arrangements with other related financial entities that are material to our advisory business or to you as our client.

As explained under “Fees and Conditions” above, Robert Monin is licensed as a registered representative with FSC. He is the 100% stockholder of PPS Agency Inc. – a licensed insurance agency in New York State. He is also licensed as an insurance agent with various insurance companies. These arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your needs.

As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

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

11We have adopted a *Code of Ethics* (“*Code*”) to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to

you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## ***Brokerage Practices***

We may recommend FSC to execute client account transactions. This may create a conflict of interest, as our financial advisors are also registered representatives of FSC, and therefore, receive compensation from FSC. Because the amount of our compensation or the products or services we receive may vary depending on the broker-dealer we recommend to be used by our clients, we have a conflict of interest in making that recommendation.

Our recommendation of FSC may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. Commissions and other fees for transactions executed through FSC may be higher than commissions and other fees available if you use another broker-dealer firm to execute transactions and maintain custody of your account. You are under no obligation to implement our recommendations through FSC.

## ***Review of Accounts***

13A We provide financial planning services only. Robert C. Monin, President, reviews all accounts personally during the financial planning process.

13C You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their

current market values.

## ***Client Referrals and Other Compensation***

14A We receive certain economic benefits as a result of our participation in Pershing's institutional program. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

14B We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

## ***Custody***

15 We do not have custody of your funds or securities. Financial plans are carried out by you through the broker-dealer of your choice.

## ***Investment Discretion***

16 We do not manage securities accounts on behalf of clients. We provide you with a financial plan which is carried out in your sole discretion.

## ***Voting Client Securities***

17 We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action

lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

### ***Financial Information***

18We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

### ***Requirements for State-Registered Advisers***

19We are not actively engaged in any business other than giving investment advice.

Robert C. Monin

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Brochure Supplement

March 22, 2011

**This brochure supplement provides information about Robert Monin that supplements the Amherst Financial Services, Inc. brochure. You should have received a copy of that brochure. Please contact Robert Monin if you did not receive Amherst Financial Services, Inc.'s brochure or if you have any questions about the contents of this supplement.**

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

## **Educational Background and Business Experience**

Robert Monin

*Year of birth:* 1948

*Formal education:*

- Rensselaer Polytechnic Institute, Niagara County Community College (A.S. Math, 1969)
- SUNY at Buffalo (B.S. – Management, 1971).

*Business background:*

- Founded Amherst Financial Services, Inc.; President and financial planning representative (05/90)
- Registered representative of FSC Securities Corporation (01/87 to present)
- Progressive Planning Services Inc.; President, member of the investment committee and a financial planning representative (01/87 to 3/90)
- CIGNA Corporation; Financial planning representative and sales representative (11/79 to 1/87)

## **Disciplinary Information**

Robert Monin has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Our advisory representatives are also registered representatives and investment adviser representatives of FSC Securities Corporation (“FSC”), a registered broker/dealer, member FINRA/SIPC, and registered investment adviser. If you choose to implement your financial plan through FSC, commissions may be earned by your financial advisor in addition to any fees paid for advisory services. In addition, the financial advisor may be entitled to a portion of the internal expense fees (such as 12b-1 fees) charged by mutual funds.

Robert Charles Monin, is the 100% stockholder of PPS Agency Inc. – a licensed insurance agency in New York State. He is also licensed with various insurance companies. Commissions may be earned by our financial advisors if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment

and insurance products through other brokers or agents who are not affiliated with us.

### ***Additional Compensation***

Mr. Monin does not receive any additional compensation related to the advisory services provided to you.

### ***Supervision***

Robert Monin is the sole managing member. There are no other members to supervise or to monitor.

### ***Requirements for State-Registered Advisers***

Robert Monin has not been the subject of any arbitration claims, other proceedings or bankruptcy petition.