



**DORFMAN**  
VALUE INVESTMENTS

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## Part 2A of Form ADV: Firm Brochure

### Item 1 – Cover Page

**Dorfman Value Investments LLC**  
**101 Federal Street, Suite 1900**  
**Boston, MA 02110**  
**617 542-8888**  
**[www.dorfmanvalue.com](http://www.dorfmanvalue.com)**

**March 8, 2022**

This Brochure provides information about the qualifications and business practices of Dorfman Value Investments LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (617) 542-8888 or [info@dorfmanvalue.com](mailto:info@dorfmanvalue.com). You may also visit our website at [www.dorfmanvalue.com](http://www.dorfmanvalue.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.

Dorfman Value Investments LLC 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 from which you determine whether to hire or retain an Adviser. The disciplinary history of the firm or its representatives may be obtained without charge from the Massachusetts Securities Division, One Ashburton Place, 17<sup>th</sup> floor, Boston, Massachusetts 02108. The Division’s phone number is (617) 727-3548.

Additional information about Dorfman Value Investments LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Dorfman Value Investments LLC is 120911. The SEC’s web site also provides information about any persons affiliated with Dorfman Value Investments LLC who are registered, or are required to be registered, as investment adviser representatives of Dorfman Value Investments LLC.

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## **Item 2 – Material Changes**

The last annual amendment of Form ADV for Dorfman Value Investments LLC was filed March 16, 2021. There have been no material changes involving the firm since that date.

We will continue to offer or deliver information about our qualifications and business practices to clients on at least an annual basis. Pursuant to securities regulations, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our firm's fiscal year.

We will provide our clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may also be requested at any time by contacting us on our main phone number, (617) 542-8888, or by e-mailing us at [info@dorfmanvalue.com](mailto:info@dorfmanvalue.com).

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## Item 4 – Advisory Business

Dorfman Value Investments LLC has provided investment management and investment advisory services since 1999.

Since inception, the firm has had three names. From August 1, 1999 through June 7, 2006, it was Dorfman Investments LLC. On June 8, 2006 it changed its name to Thunderstorm Capital LLC. On September 15, 2014 it changed its name to the present name, Dorfman Value Investments LLC. The change was recorded with the Secretary of State in Delaware, where our limited liability corporation (LLC) was originally formed on August 1, 1999. John Dorfman is the firm's owner, chairman, chief investment officer and chief compliance officer. Biographical information about him and additional information about his business experience, professional designations, and background is provided in the Brochure Supplement attached to this Brochure **(Part 2B of Form ADV)**.

Dorfman Value Investments LLC is a state-registered investment advisor, registered with the Massachusetts Securities Division and additional states as required.

Dorfman Value Investments LLC manages portfolios for individuals and institutions. The firm invests primarily in common stocks. In some portfolios we may, from time to time, also hold bonds, warrants, options, exchange traded funds ("ETFs"), cash, or equity short positions.

Portfolios may be managed by one or more of the firm's portfolio managers. As of early 2022 there are two portfolio managers, John Dorfman and Katharine Davidge.

We attempt to buy stocks that are undervalued by considering any — or, more often, several — of the following factors:

- (1) Valuation as measured by price/earnings ratios, price/book ratios, and or price/sales ratios
- (2) Trading by corporate insiders. Buying is a plus, selling a minus
- (3) Industries or sectors we expect to outperform the market
- (4) Strength of companies' balance sheets, measured mainly by debt/equity ratio
- (5) Corporate profitability
- (6) Percentage of earnings from sources other than operations (lower is better)
- (7) Growth rates of earnings, revenue or book value
- (8) Management's vision and leadership ability. We attempt to assess this through in-person meetings, press accounts, and/or the comments of competitors or former employees.

Our client portfolios usually consist of long positions in 20 to 40 stocks. We invest primarily in U.S. companies but also buy stocks of companies located in Europe, Asia, Australia, and other locations.

Portfolios are customized based on client needs. This may include risk tolerance, investment restrictions, legacy holdings, and tax situation. Clients may restrict us from investing in certain sectors, industries, or companies either by filling out a form at the outset of the client relationship, or by advising us of the restriction during the relationship.

Dorfman Value Investments LLC does not currently participate in any wrap programs with brokerage houses.

As of December 31, 2021, Dorfman Value Investments LLC managed \$34,834,749 on a discretionary basis in 80 client accounts. No assets were managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

Each client’s fees are stated in a Client Agreement. Our standard fee schedule is 1.5% of assets per year. Generally, fees are payable quarterly in advance, at the rate of 0.375% per quarter, based on the account balance at the beginning of the quarter. All fees are subject to negotiation. Lower fees for comparable services may be available from other sources. Unless a Client Agreement provides otherwise, the client may terminate the agreement immediately upon giving written notice to Dorfman Value Investments LLC. If Dorfman Value Investments LLC terminates an agreement, it will give at least thirty days’ notice. A client who has paid a fee in advance to Dorfman Value Investments will receive a pro-rata refund in the event of cancellation by either the firm or the client. Our policy is that partial months are free. Any new client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Clients may elect to be billed directly for fees or to authorize Dorfman Value Investments LLC to directly debit fees from client accounts, when possible.

No Dorfman Value Investments LLC owner or employee accepts compensation for the sale of securities or other investment products from any company other than Dorfman Value Investments.

Dorfman Value Investments LLC’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Such charges, fees, and commissions are exclusive of, and in addition to, Dorfman Value Investments LLC’s fee, and Dorfman Value Investments LLC shall not receive any portion of these commissions, fees, and costs. **Item 12** describes the factors that Dorfman Value Investments LLC considers in recommending broker-dealers to clients. One factor is the reasonableness of their fees and charges.

For certain clients who meet the requirements to be “accredited investors” and “qualified clients” under the securities laws, Dorfman Value Investments may enter into a performance fee arrangement. Such arrangements are discussed in **Item 6**.

## Item 6 – Performance-Based Fees and Side-By-Side Management

Almost all current clients are charged asset-based fees, as described in **Item 5**. Dorfman Value Investments LLC may, from time to time, enter into arrangements with selected clients (who are accredited investors and qualified clients under the securities laws), under which they pay a performance-based fee, either exclusively or in addition to an asset-based fee. The percentages for these fees vary by client. As of December 31, 2021, the firm had three clients (two individual clients

and a hedge fund) in such arrangements. Any performance fee charged will conform to the provisions of the California Code of Regulations Section 260.234 and with other applicable laws. Performance fees are charged only when assets in the account are above the previous high-water mark — the highest level of assets the account has attained in the past (measured, normally, at the end of a calendar year). Any losses that have accumulated in past years or quarters will need to be covered prior to any performance fee being applied. If a client withdraws funds from an account, the high-water mark is adjusted proportionately. For example, if a client has \$1 million in a performance-fee account, has a high-water mark of \$1.1 million, and withdraws \$200,000 from the account, the adjusted high-water mark is \$880,000 (80% of \$1.1 million). While our asset-based fees are typically charged in advance, performance-based fees are charged in arrears, usually after the end of a calendar year (typically within 30 days of year-end).

Dorfman Value Investments LLC has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple clients or client accounts, including accounts with varying fee arrangements, and the allocation of investment opportunities. Dorfman Value Investments LLC trades the various types of client accounts in a rotating order to assure that no class of clients is consistently favored in trading. When an investment idea arises, the firm considers its suitability for various accounts. If a security is suitable for more than one client or type of client, purchases are made in rotating order, and the trades are grouped as closely in time as possible in an attempt to achieve price uniformity. Suitability judgments are influenced by the market capitalization of a security, its perceived risk level, its liquidity characteristics, and its industry as it affects the industry and sector balance for each type of client. Please see **Item 12** for a further discussion of Dorfman Value Investments LLC's allocation policy.

Dorfman Value Investments LLC's procedures require the objective allocation of any limited opportunities that may arise, such as initial public offerings and private placements, to ensure fair and equitable allocation among accounts. In practice, Dorfman Value Investments LLC does not ordinarily invest in initial public offerings or private placements. All issues related to conflicts of interest and to allocation of opportunity are monitored by the firm's Chief Compliance Officer.

## **Item 7 – Types of Clients**

Dorfman Value Investments LLC provides, or seeks to provide, investment management and investment advisory services to individuals, businesses, family offices, foundations, endowments, and charitable institutions. It is also the general partner of a limited partnership (hedge fund) called Dorfman Value Partnership LP. In the past, we managed a mutual fund, and we may do so again in the future.

Our normal account minimum for new account management services is \$250,000. At our discretion, we may waive this minimum.

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

Dorfman Value Investments LLC invests primarily in common stocks, seeking to achieve investment returns that will enhance our clients' wealth and help them achieve their financial

objectives. Portfolios may be managed by one or more of the firm's portfolio managers.

We attempt to buy stocks that are we view as undervalued. Factors we may consider include the following:

- (1) Valuation as measured by price/earnings ratios, price/book ratios, and or price/sales ratios
- (2) Trading by corporate insiders. Buying is a plus, selling a minus
- (3) Industries or sectors we expect to outperform the market
- (4) Strength of companies' balance sheets, measured mainly by debt/equity ratio
- (5) Corporate profitability
- (6) Percentage of earnings from sources other than operations (lower is better)
- (7) Growth rates of earnings, revenue or book value
- (8) Management's vision and leadership ability. We attempt to assess this through in-person meetings, press accounts, and/or the comments of competitors or former employees.

The firm may invest in small-cap, mid-cap, or large-cap stocks on behalf of investors. We generally invest primarily in the U.S., but we may choose securities based in Europe, Asia, Australia, or other locations. Investing in securities involves risk of loss that clients should be prepared to bear. Dorfman Value Investments LLC seeks long-term capital appreciation in the management of portfolios. However, there can be no assurance that investment objectives will be achieved.

### **Material Risks (Including Significant or Unusual Risks) Relating to Investment Strategies:**

*Equity Market Risk:* Common stocks are susceptible to general stock market fluctuations and sudden, dramatic increases and decreases in value. Market confidence and the perception of investors can wax and wane based on various and unpredictable factors. These factors include expectations regarding government, economic, monetary, and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic or banking crises. In the event of a bankruptcy, the claims of common stockholders stand behind those of bondholders, holders of preferred stock, and most other creditors.

*Turnover:* High portfolio turnover rates could generate capital gains that may be taxed. Gains that are short-term may be taxed at high rates. Rapid turnover may also increase brokerage costs.

*Issuer-Specific Risk:* Changes in the financial condition of an issuer or counterparty, changes in economic or political conditions that affect a particular type of security or issuer, and changes in market share, growth or profitability can affect a security's value and can increase the risk of default by an issuer or counterparty. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers may have limited product lines, markets, or financial resources.

### **Risks Associated with Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks):**

*Equity Securities:* The value of equity securities fluctuates in response to issuer, political, market

and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and “growth” stocks can react differently from “value” stocks. Issuer, political, or economic developments can affect a single issuer, an industry, an economic sector, a geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and geopolitical risks may lead to market volatility and may have adverse long-term effects on world economies and markets generally.

*Small-cap and Mid-cap Companies:* The Adviser may choose to invest in companies of any size, including small-capitalization (small-cap) and mid-capitalization (mid-cap) companies. The risks of investing in all companies include business failure and reliance on erroneous reports. Small- and mid-cap companies often have narrower markets and limited managerial and financial resources compared to larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could produce investment losses in the Adviser’s portfolio. Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Large-cap companies may also be unable to attain the high growth rates of successful smaller companies.

*Warrants:* A warrant gives the holder a right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price. Unlike convertible debt securities or preferred stock, warrants do not pay a fixed coupon or dividend. Investments in warrants involve certain risks, including the possible lack of a liquid market for resale of the warrants, potential price fluctuations as a result of speculation or other factors, and failure of the price of the underlying security to reach or have reasonable prospects of reaching a level at which the warrant can be prudently exercised. If the common stock underlying a warrant fails to reach a certain price, the warrant may expire without being exercised, resulting in a loss of the Client’s entire investment therein.

*Non-U.S. Securities:* Securities issued by companies outside the U.S., and securities of U.S. companies that have substantial foreign operations, can involve additional risks relating to political, economic, or regulatory conditions in non-U.S. countries. These risks include fluctuations in non-U.S. currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some markets. All of these factors can make non-U.S. investments, especially those emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, non-U.S. markets can perform differently from the U.S. market.

*Emerging Markets:* The risks of non-U.S. investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries. Additionally, in some emerging market countries expropriation of private property is a risk.

*Exchange Traded Funds (ETFs):* An exchange traded fund, or ETF, is a collection of securities that trades like a stock and that attempts to track an index. The index may be broad (e.g., the Standard & Poor's 500 Index) or narrow (e.g., tied to the price of a single commodity such as gold). Unlike a mutual fund, an ETF has a predetermined number of shares; it does not issue additional shares on demand. Therefore, the price of an ETF may be higher or lower than the price of its underlying assets. Buying at a premium to the price of the underlying assets may increase the risk of loss. Buying at a discount does not guarantee a gain. Unlike mutual funds, which are priced once a day at net asset value, the price of an ETF may fluctuate throughout the day. The price of the ETF will rise and fall based on investor sentiment, market conditions and economic conditions, as well as the performance of the specific underlying securities. ETFs are subject to brokerage costs and internal management fees, in addition to the fees charged by Dorfman Value Investments LLC.

## **Risk of Loss**

Investing in securities involves the risk of a loss of principal. Clients should be prepared to bear losses. The value of securities (such as individual stocks and bonds, mutual funds, and ETFs), when sold or otherwise disposed, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

We base our investment choices in part on our knowledge of the client's financial situation, and our knowledge is largely dependent on information disclosed to us by the client.

When shaping client portfolios, we make certain assumptions regarding interest and inflation rates, as well as regarding past trends and performance of the market and economy. However, past performance is not an indication of future performance. We cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Should the client's financial situation, goals, objectives or needs change, the client should notify Dorfman Value Investments LLC promptly of the changes. Clients are encouraged to review their accounts regularly to make sure that our investment choices are consistent with their guidance and desired risk level.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Dorfman Value Investments LLC or the integrity of Dorfman Value Investments LLC's management.

Dorfman Value Investments LLC does not have any disciplinary information to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Neither Dorfman Value Investments LLC nor any of its management persons is registered or has an application pending to register as a broker-dealer or as a registered representative of a broker-

dealer. Neither Dorfman Value Investments LLC nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Neither Dorfman Value Investments LLC nor any of its management persons has any business relationship with a broker-dealer, municipal securities dealer, government securities dealer, financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, bank or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker, or syndicator of limited partnerships.

Dorfman Value Investments LLC serves as the general partner of a private partnership (hedge fund), Dorfman Value Partnership LP. Clients, if they are accredited investors and qualified clients as defined in securities laws, may be solicited by us to invest in the partnership.

One management person, John Dorfman, serves on the board of directors of New Generation Turnaround Fund, a hedge fund based in the British Virgin Islands. With that exception, no management person has a business relationship with any other investment advisor. Mr. Dorfman does not refer clients to New Generation and is compensated by New Generation on a fixed formula based on his participation in board meetings. Dorfman Value Investments LLC is not aware of any conflict of interest from Mr. Dorfman's board service affecting Dorfman Value Investments LLC's clients. Dorfman Value Investments LLC does not select other investment advisors for clients, and has no business relationships with other advisors, except as described in the paragraph above.

John Dorfman writes a syndicated column about the stock market, including individual stock recommendations, market commentary and other topics. As of December 31, 2021, the column appears in Forbes.com, Gurufocus.com, the Las Vegas Review Journal, the Omaha World Herald, the Pittsburgh Tribune Review, and the Virginian Pilot. Outlets may change from time to time. In his column, Mr. Dorfman recommends roughly 250 stocks per year, but client portfolios typically contain only about 25 stocks. Column recommendations may differ from client holdings for this reason, and also because of client preferences, tax considerations, and Mr. Dorfman's continuing review of available opportunities.

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

Dorfman Value Investments LLC has adopted a Code of Ethics (the "Code") that obligates us and our employees to put the interests of clients before our own interests, and to treat clients and all other persons honestly and fairly. All of our personnel are also required to comply with applicable federal and state securities laws. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Dorfman Value Investments LLC by email at [info@dorfmanvalue.com](mailto:info@dorfmanvalue.com) or by telephone at (617) 542-8888. See below for certain provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

Dorfman Value Investments LLC has fully disclosed to clients any conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective investment advice to clients, and will continue to make such disclosure in the future.

Dorfman Value Investments LLC, in the course of our investment management or the outside activities of our employees, may come into possession of confidential or material nonpublic

information about issuers, including issuers in which we or our related persons have invested or seek to invest on behalf of our clients. Dorfman Value Investments LLC is prohibited from improperly disclosing or using such information for our own benefit or for the benefit of any other person, regardless of whether such other person is a client. We also maintain and enforce written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that we are meeting our obligations to our clients and remains in compliance with applicable law.

If we should come to possess certain confidential or material, nonpublic information which might be material to any trading decisions, we will be prohibited from communicating such information to clients or using such information for the client's benefit. In this case, we will have no responsibility or liability to clients for not disclosing such information to clients (or the fact that we possess such information), or not using such information for the client's benefit, as a result of following our policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

It is Dorfman Value Investments LLC's policy that we will not arrange or effect any principal or agency cross securities transactions for client accounts. Dorfman Value Investments LLC will also not cross trades between client accounts. This means that we do not buy any securities from clients or sell any securities to clients from our own or any affiliated accounts.

The officers and employees of Dorfman Value Investments LLC may invest in the same securities (or related securities, e.g., warrants, options or futures) for their own accounts that we or a *related person* recommends to the clients. Such practices present a conflict because the adviser or its related person could potentially trade in a manner that could adversely affect the client (e.g., related person places his or her own trades before or after the client trades are executed in order to benefit from any price movements due to the clients' trades).

In addition to affecting our or our related person's objectivity, these practices may also harm a client by adversely affecting the price at which the client's trades are executed. We have adopted certain professional standards and guidelines which are designed to ensure that any potential conflicts of interest relating to these purchases and sales are resolved in accordance with applicable securities laws and fiduciary considerations.

Dorfman Value Investments LLC recognizes and believes that (i) high ethical standards are essential for our success and to maintain the confidence of the client; (ii) our long-term business interests are best served by adherence to the principle that the interests of the client come first; and (iii) we have a fiduciary duty to clients to act solely for their benefit. All personnel of Dorfman Value Investments LLC must put the interests of the client before their own personal interests and must act honestly and fairly in all respects in dealings with clients.

In addition, we have adopted procedures in an effort to minimize such conflicts. Dorfman Value Investments LLC requires all employees and officers to pre-clear securities trades with our chief compliance officer, and to report their personal securities transactions and holdings. We are required to review such reports at least quarterly.

Please refer to **Item 17** for further information regarding our proxy voting policy and procedures.

## Item 12 – Brokerage Practices

In most cases, Dorfman Value Investments LLC has full discretionary authority to manage accounts for its clients, including the authority to determine which securities are bought and sold, and the amount and price of those securities. The firm also suggests brokers for some accounts, and may negotiate commissions paid to those brokers. With respect to limitations on the authority concerning which securities and the amount of securities to be bought and sold, Dorfman Value Investments LLC may be subject to limitations by clients or developed internally based upon, among other things, stated client objectives. Limitations may be placed on the types of investment, geographic location of the investment, or the size of the investment relative to the size of the portfolio.

Consistent with the primary requirement of best execution, Dorfman Value Investments LLC considers a number of factors in selecting a broker-dealer to execute transactions, or a series of transactions, and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution, and error resolution. The Adviser also considers the broker-dealer's research prowess—quality and quantity of research, the overlap between the broker-dealer's coverage universe and the Adviser's interest list, ability to facilitate meetings with company management, whether the broker-dealer sponsors conferences on topics of interest to the Adviser, and the ability of the broker-dealer to respond quickly and well to research and client service questions.

In selecting broker-dealers and determining their compensation, Dorfman Value Investments LLC need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus clients may be deemed to be paying for research, brokerage, or other services provided by a broker-dealer which are included in the commission rate. Dorfman Value Investments LLC conducts a review periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

When purchasing or selling the same security for more than one client, Dorfman Value Investments LLC may seek to consolidate the transactions so as to obtain the better terms that brokerage firms may offer for larger transactions. Alternatively, when trading an illiquid stock, or when the same trade is to be executed on behalf of different clients through different securities brokers, Dorfman Value Investments may cause trades to be executed sequentially rather than simultaneously: i.e., each trade will be delayed until completion of prior trades. This is intended to prevent the trades from competing with each other in the market and to reduce potential market impact of the trades.

The order in which clients' trades are completed will be determined by a rotation system among client accounts. This is designed to prevent any client from being consistently advantaged or disadvantaged relative to other clients. As a result of this rotation process, the same trade may be executed for different clients at different prices. While our rotation system is intended to treat clients fairly over time, it is possible that as a result of sequential trading some client accounts will have better returns on the same trades than other client accounts.

As noted above, one of the factors considered by Dorfman Value Investments LLC in allocating brokerage business is the quality of investment research provided by particular brokerage firms. In this respect, Dorfman Value Investments LLC may be deemed to have entered so-called "soft-dollar" arrangements. That is, Dorfman Value Investments LLC may enter into arrangements by

which certain brokers will provide investment research or related services to Dorfman Value Investments LLC in exchange for Dorfman Value Investments LLC executing client brokerage transactions through that particular broker. Clients should consider that these arrangements may create a potential conflict of interest between Dorfman Value Investments LLC and its clients. The conflict of interest may be deemed to exist because Dorfman Value Investments LLC's decision to use a particular broker may in part be based on the broker's ability and/or willingness to provide research products and services, not merely on the broker's ability to provide the best trade execution for the best price.

Products and services that Dorfman Value Investments LLC may purchase through the use of soft dollars include research analysis reports, electronic databases, on-line quotation services (such as Reuters and Bloomberg), industry publications, economic forecasting, consulting services, products used in the trade settlement process, or access to analyst meetings, company meetings, or conferences. All of the products and services that Dorfman Value Investments LLC may purchase with soft dollars are related either to market research or trade execution.

If Dorfman Value Investments LLC uses research obtained through soft dollars, the research will benefit all of its clients, not just the client(s) for whom the order that generated the soft dollars was executed. Also, in instances where trading activity in a client's account has generated soft dollars, Dorfman Value Investments LLC may not use all of the research obtained exclusively for that particular client.

In 2004, Dorfman Value Investments LLC selected TD Ameritrade as the custodial brokerage house it generally recommends to clients. TD Ameritrade is recommended primarily on the basis of its competitive commission rates, client service, and trading and record-keeping software.

TD Ameritrade charges a fee when accounts for which it acts as custodial broker are "traded away," namely when portfolio trades are executed through broker-dealers other than TD Ameritrade. Other custodial brokers may also impose restrictions or charges when accounts held with them are "traded away." These charges may increase the costs borne by Dorfman Value Investments LLC clients.

When clients select TD Ameritrade as the account custodian, the client agrees that Dorfman Value Investments LLC may execute all of their securities transaction through TD Ameritrade. Clients may instead direct Dorfman Value Investments LLC to use other particular brokerage firms for their securities transactions, and a client that is referred to an investment adviser by a representative of a brokerage firm may designate that brokerage firm as the one through which transactions will be processed.

When clients direct Dorfman Value Investments LLC to use a particular custodial brokerage firm for their transactions, Dorfman Value Investments LLC may not be able to negotiate favorable commission rates for those transactions with the brokerage firm. In addition, such clients may not be able to participate in volume discounts for combined transactions directed by Dorfman Value Investments LLC on behalf of several clients to brokers other than the directed broker. As a result, clients that select a brokerage firm for their transactions are likely to pay higher commissions than would otherwise be the case.

Dorfman Value Investments LLC may, on an informal basis and subject to applicable legal and regulatory requirements, consider client referrals in the allocation of brokerage transactions, subject to the primary requirement of best execution discussed above. Clients should also be aware of the potential conflicts of interest between their interest in obtaining the best execution for their

securities transactions and Dorfman Value Investments LLC's interest in receiving future client referrals from their brokerage firms. When purchasing the same securities for two or more clients, Dorfman Value Investments LLC attempts to trade them at the same time and for the same price if possible, so that prices achieved for investors will be uniform. When simultaneous trading is not possible or practical, client accounts will trade in a predetermined order that rotates regularly. Directed brokerage accounts are typically not blocked with other accounts. As a result, these accounts may trade in the same securities at higher or lower prices and without any perceived benefits of block trading. Generally, securities are allocated to various portfolios based on:

- (a) risk tolerance.
- (b) portfolio vacancies in particular accounts.
- (c) industry balance in each account.
- (d) concentration or diversification guidelines for each account.
- (e) the investment opinion of the manager or managers of a particular portfolio.

### **Item 13 – Review of Accounts**

The account holdings of Dorfman Value Investments LLC's clients are continuously monitored by the portfolio managers, with regard to significant corporate developments and other developments that may dictate a change in portfolio positions. In addition, the Adviser conducts an account-specific review generally once a month from the standpoint of:

- (1) major price movements in securities, and the reasons for them;
- (2) suitability of securities held (e.g., changes in valuation, balance-sheet changes, changes in management, insider purchases or sales, and changes in the competitive landscape);
- (3) adherence to preferences expressed by clients;
- (4) industry balance;
- (5) portfolio diversification. Ordinarily, positions will be initiated at 6% or less, and will be trimmed back if they reach 10% or more; and
- (6) comparison of the account with one or more portfolio models maintained by Dorfman Value Investments LLC.

The order in which accounts are reviewed is determined by a rotation system. All accounts are reviewed by a portfolio manager. As of December 31, 2021, the firm has two portfolio managers, John Dorfman and Katharine Davidge.

Dorfman Value Investments LLC ordinarily sends a client report to advisory clients quarterly. The report describes the strategy and tactics used by Dorfman Value Investments LLC in managing the account, and the returns earned during the latest quarter and for selected other periods. It may discuss notable recent purchases and sales and notable price movements. From time to time, it will also notify the client to contact Dorfman Value Investments LLC if there have been any changes in the client's financial situation or investment objectives, or if the client wishes to impose any

reasonable restrictions on the management of the client's account or reasonably modify existing restrictions.

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

Dorfman Value Investments LLC may, on an informal basis and subject to applicable legal and regulatory requirements, consider client referrals in the allocation of brokerage transactions, subject to the primary requirement of best execution discussed above.

Clients should consider that there is a potential conflict of interest between their interests in obtaining best execution and Dorfman Value Investments LLC's receipt of future client referrals from brokers.

Currently, Dorfman Value Investments LLC does not compensate any outside person or company for client referrals. In the past, the firm has used third-party marketers to help sell shares in private investment partnerships. Those marketers were compensated with 20% of the revenue Dorfman Value Investments LLC received from any clients the marketers brought in. Dorfman Value Investments LLC may use such marketers again in the future. Whenever third-party marketers are employed, any clients obtained from them are fully informed of the marketers' compensation arrangements.

## **Item 15 – Custody**

Dorfman Value Investments LLC does not accept or maintain the physical possession of any client securities or funds. Dorfman Value Investments LLC does not have the authority to open or close accounts on the behalf of clients, or the authority to distribute assets from client accounts to third parties.

Dorfman Value Investments LLC does have the ability to debit its fees, based on its own calculations, from many client accounts. Fee debits are done only upon written approval and subject to proper safeguards.

Clients receive monthly, or at least quarterly, statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Dorfman Value Investments LLC urges clients to carefully review such statements and compare such official custodial records to the quarterly reports that we provide clients, which are described in **Item 13** above. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies as applied to certain securities.

## **Item 16 – Investment Discretion**

Pursuant to a written advisory agreement, Dorfman Value Investments LLC generally receives discretionary authority from clients at the outset of each advisory relationship. Unless otherwise

instructed or directed by the client, Dorfman Value Investments LLC has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines); and (ii) the amount of securities to be purchased or sold for the client's account. As the Adviser provides investment advisory services to more than one client, there may be differences among clients in invested positions and securities held because of the differences in client investment objectives and strategies, risk tolerance, tax status, the availability of alternative opportunities at a given time, and other criteria.

The portfolio managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; (viii) account liquidity and account requirements for liquidity; and (ix) the timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts in accordance with the policies and procedures discussed in **Item 12**, these factors may lead Dorfman Value Investments LLC to allocate securities to client's accounts in varying amounts.

When selecting securities and determining amounts, Dorfman Value Investments observes the investment policies, limitations, and restrictions of each client it advises.

If it appears that a trade error or a breach of a client's investment guidelines and restrictions has occurred, Dorfman Value Investments LLC will review the facts and circumstances to determine an appropriate course of action, seeking to ensure that the client is treated fairly. In the event that an error is the result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. For other trade errors, those that result other than by a breach of the standard of care above, the loss may be borne either by the client or by the Adviser, at the Adviser's discretion. Whenever possible, the Adviser will return the client to the same position the client would have been in had the error not occurred. If an error favors the client, the client may in most cases keep the profit; in no case will the Adviser keep the profit. The Adviser has discretion to resolve a particular error in any appropriate manner consistent with the above stated policy.

For all current clients, a brokerage house serves as the custodian for the client's securities. Some clients delegate to Dorfman Value Investments LLC the choice of custodial broker and others do not. When Dorfman Value Investments LLC enrolls a new client, it generally recommends TD Ameritrade Institutional as the custodian. Clients are at liberty to choose a different custodian, but many clients accept our recommendation. TD Ameritrade offers commission rates that we regard as competitive and advantageous to our clients (zero as of December 31, 2021). It also offers clients the ability to see their accounts online, and provides services to Dorfman Value Investments LLC that help us respond to client needs and requests. See **Item 12**.

## Item 17 – Voting Client Securities

Pursuant to Dorfman Value Investments LLC's advisory agreement with clients, Dorfman Value Investments LLC has generally been delegated proxy voting authority for companies held in client

portfolios. The Adviser complies with its proxy voting policies and procedures that are designed to ensure that proxies are voted in the best interests of the client. In voting proxies, Dorfman Value Investments LLC generally votes in favor of routine corporate housekeeping proposals, such as election of directors (where no corporate governance issues are involved), selection of auditors, and moderate increases in the number of shares of common stock outstanding. Dorfman Value Investments LLC will generally vote against proposals that make it more difficult to replace members of an issuer's board of directors, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, create supermajority voting, or create "poison pill" plans. For all other proposals, the Adviser will determine whether a proposal is in the best interests of the client and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's portfolio manager's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance. Dorfman Value Investments LLC is not aware of any material conflicts of interest related to its voting of proxies. If a material conflict of interest between the Adviser and the client arises, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action which may include contacting clients and requesting that the clients make their own independent voting decision.

Clients may obtain a copy of Dorfman Value Investments LLC's proxy voting policies and procedures and information about how the Adviser voted the client's proxies by contacting Dorfman Value Investments LLC at 101 Federal Street, Suite 1900, Boston, MA 02110, by email at [info@dorfmanvalue.com](mailto:info@dorfmanvalue.com) or by telephone at (617) 542-8888.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide disclosure about any financial condition that would be reasonably likely to impair the ability to provide continuing services to clients. Dorfman Value Investments LLC has not been the subject of a bankruptcy proceeding and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Dorfman Value Investments LLC does not serve as the custodian for client securities and does not require or solicit the payment of fees of \$500 or more six months or more in advance. The firm charges clients a quarterly fee up to three months in advance, and in many cases has the right, with advance written consent, to deduct the fee from a client's account. A brokerage house currently serves as the custodian for all client accounts.

## **Item 19 – Requirements for State Registered Advisers**

Dorfman Value Investments LLC is registered in Massachusetts and other states, as required, based on the number of clients the firm has in each state. Many states require registration when an advisor has six clients in that state, but requirements differ from state to state.

State-registered advisers are required to make certain disclosures, some of which are different from those required by the Securities and Exchange Commission. Dorfman Value Investments LLC responds to these disclosure requirements as follows. Dorfman Value Investments LLC charges asset-based fees to almost all clients. As of December 31, 2021, it charged a performance-based fee to three clients (two individual clients and a hedge fund). Performance-based fees may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Dorfman Value Investments LLC and its management persons have not been found liable in any arbitration claim alleging damages in excess of \$2,500.

Dorfman Value Investments LLC and its management persons have not been found liable in any civil proceeding, administrative proceeding, or by any self-regulatory organization of any wrongdoing involving (a) an investment or investment related activity; (b) fraud, false statements or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting or extortion; or (e) dishonest, unfair, unethical practices. Dorfman Value Investments LLC and its management persons do not have any relationship or arrangement with any issuer of securities.

***Please see the Part 2B of Form ADV: Brochure Supplement for additional information about the education and business background of the principals of Dorfman Value Investments LLC.***

## Part 2B of Form ADV: Brochure Supplement – John R. Dorfman

### Item 1 – Cover Page

**John R. Dorfman**  
**Dorfman Value Investments LLC**  
**101 Federal Street, Suite 1900**  
**Boston, MA 02110**  
**617 542-8888**  
**[www.dorfmanvalue.com](http://www.dorfmanvalue.com)**

**March 8, 2022**

This Brochure Supplement provides information about John R. Dorfman that supplements the Dorfman Value Investments LLC Brochure. You should have received a copy of that Brochure. Please contact John Dorfman, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this supplement.

Additional information about John R. Dorfman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by searching via his CRD number 4374880. Information about his disciplinary history may be obtained without charge from the Massachusetts Securities Division, One Ashburton Place, 17<sup>th</sup> floor, Boston, Massachusetts 02108. The Division's phone number is (617) 727-3548.

### Item 2 – Educational Background and Business Experience

**John R. Dorfman**

Year of Birth: 1947

#### **Education**

Princeton University, 1969, BA with honors

Columbia University, MFA, 1972

## **Business Experience**

- Founder, Dorfman Value Investments LLC (initially called Dorfman Investments LLC, and later Thunderstorm Capital LLC), 1999. President, 1999–2006, Chairman 2007–present.
- Analyst, then Portfolio Manager and Managing Director, Dreman Value Management, 1997–2002.
- Senior Special Writer, Wall Street Journal, 1986–1997.
- Syndicated stock-market columnist, 1997–present (with a 22-month hiatus in 2007–2008).

## **Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item 4 – Other Business Activities**

Mr. Dorfman is a syndicated stock-market columnist. As of December 31, 2021, his column was published in Forbes.com, Gurufocus.com, the Las Vegas Review-Journal, the Pittsburgh Tribune Review, the Omaha World Herald, and the Virginian Pilot. The list of web sites and publications may change from time to time. Mr. Dorfman is a board member of an offshore private investment partnership, New Generation Turnaround Fund, based in the British Virgin Islands with investment offices in Manchester, Massachusetts.

Mr. Dorfman spends about 10% of his working time on his syndicated column, and about 5% on his board service.

## **Item 5 – Additional Compensation**

Mr. Dorfman receives payment from New Generation Turnaround Fund for service as a board member, as well as payment for articles he creates as a freelance writer, notably his syndicated column.

Mr. Dorfman is the owner of Dorfman Value Investment LLC. As such, he receives an economic benefit from the success of the firm, including new clients and additional assets.

## **Item 6 - Supervision**

As Chairman and owner of Dorfman Value Investments LLC, John Dorfman provides investment

management services to clients and helps to administer the firm. The client accounts he manages are subject to regular review and verification that asset balances are being managed in accordance with each client's investment guidelines. He is also chief compliance officer, responsible for compliance with the firm's policies and procedures, as well as state and federal securities laws.

If you need to reach another employee of Dorfman Value Investments LLC, you may contact us at 101 Federal Street, Suite 1900, Boston, MA 02110. Telephone number: (617) 542-8888.

## **Item 7 – Requirements for State-Registered Advisers**

State-registered advisers are required to report:

- A. If they have been involved in an award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500 involving: 1) an investment or an investment-related business or activity; 2) fraud false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, or counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- B. If they have been involved in an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving: 1) an investment or an investment-related business or activity; 2) fraud false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, or counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- C. If they have been the subject of a bankruptcy petition.

John Dorfman has no such information to report.

# Part 2B of Form ADV: Brochure Supplement – Katharine W. Davidge

## Item 1 – Cover Page

**Katharine W. Davidge**  
**Dorfman Value Investments LLC**  
**101 Federal Street, Suite 1900**  
**Boston, MA 02110**  
**617 542-8888**  
**[www.dorfmanvalue.com](http://www.dorfmanvalue.com)**

**March 8, 2022**

This Brochure Supplement provides information about Katharine W. Davidge that supplements the Dorfman Value Investments LLC Brochure. You should have received a copy of that Brochure. Please contact John Dorfman, Chief Compliance Officer, if you did not receive our Brochure or if you have any questions about the contents of this supplement.

Additional information about Katharine W. Davidge is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by searching via her CRD number 5428490. Her disciplinary history may be obtained without charge from the Massachusetts Securities Division, One Ashburton Place, 17<sup>th</sup> floor, Boston, Massachusetts 02108. The division's phone number is (617) 727-3548.

## Item 2 – Educational Background and Business Experience

### **Katharine W. Davidge**

Year of Birth: 1956

### **Education**

Bryn Mawr College, BA, 1979

University of Pennsylvania, Master of Regional Science, 1982

Harvard University, Master of Landscape Architecture, 1990

## **Business Experience**

- Portfolio Manager, Dorfman Value Investments LLC, June 2014–present.
- Analyst, Dorfman Value Investments LLC, 2012–present.
- Analyst, Thunderstorm Mutual Funds, 2007–2012.
- Senior Planner, Metropolitan District Commission (renamed Massachusetts Dept. of Parks & Recreation), 1995–2007.
- Planner, Goody Clancy Architects, 1992–1994.

## **Item 3 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item 4 – Other Business Activities**

Ms. Davidge has no business activities outside of Dorfman Value Investments LLC.

## **Item 5 – Additional Compensation**

Not applicable.

## **Item 6 – Supervision**

As a securities analyst for Dorfman Value Investments LLC, Katharine Davidge recommends the purchase or sale of common stocks and exchange traded funds (ETFs) and potentially other securities. She is also a key member of the overall company investment strategy decision-making team. She also performs a variety of administrative and client-service duties. For compliance and in other respects, she reports to John Dorfman, who is founder, chairman, and chief compliance officer.

If you need to reach another employee of Dorfman Value Investments LLC, you may contact us at 101 Federal Street, Suite 1900, Boston, MA 02110. Telephone number: (617) 542-8888.

## Item 7 – Requirements for State-Registered Advisers

State-registered advisers are required to report:

- A. If they have been involved in an award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500 involving: 1) an investment or an investment-related business or activity; 2) fraud false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, or counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- B. If they have been involved in an award or otherwise been found liable in a civil, self-regulatory organization, or administrative proceeding involving: 1) an investment or an investment-related business or activity; 2) fraud false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, or counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- C. If they have been the subject of a bankruptcy petition.

Katharine Davidge has no such information to report.