



Hendley & Company, Inc. **Form CRS Customer Relationship Summary**

Introduction

Hendley & Company, Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Our firm offers the following principal investment advisory services to retail investors:

- Portfolio Management Services

Our Portfolio Management Services include the provision of continuous advice to a client or investing the client's account based on his/her particular circumstances. We offer Portfolio Management Services on a discretionary basis. When engaged on a discretionary basis, we will buy and sell investments in your account as appropriate without requiring your pre-approval on an ongoing basis. As part of our standard service, we continuously monitor and review securities in client accounts, provide quarterly reports and meet with clients upon request.

We generally require a minimum account size of \$100,000. This minimum is negotiable under certain circumstances including anticipated future assets, account composition, related accounts, and pre-existing relationships.

For additional information, please see Items 4 and 7 of our Form ADV, 2A Brochure (Part 2A) available at: https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=588470.

Conversation Starter. We encourage you to ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What fees will I pay?

Our fees are generally assessed and billed at one-fourth of the annual rate quarterly at the end of each calendar quarter, as disclosed in our Form ADV Part 2A at Item 5.

Portfolio Management Services fees are calculated as a percentage of assets under management, according to a tiered schedule. Clients pay an annual rate of 1% for the first \$500,000 with a decreasing rate associated with each of several additional tiers based on total assets managed. Our fees are negotiable at our discretion based on factors such as a consideration of the total family/entity relationship and relationship with the firm. Therefore, not all clients are subject to the same fee schedule.

It is important to understand that the more assets held in a retail client's account, the more the client will pay in fees. We therefore have an incentive to encourage a client to increase the assets in his/her account. Some fee arrangements create conflicts of interest described in more detail in our Form ADV, Part 2A.

In addition to the principal fees and costs listed above, there are other fees and costs related to our investment advisory services that you will pay directly or indirectly. Examples of the most common additional fees and costs include custodial and brokerage fees, including commissions. Mutual funds and exchange-traded funds also charge management fees, which are separate from the fees assessed by us. Refer to the disclosure documents of your broker and/or custodian for details.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information, please see Item 5 of our Form ADV, 2A Brochure (Part 2A) available at: https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=588470.

Conversation Starter. We encourage you to ask your financial professional:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- As mentioned above, the more assets the client has in his/her account, the more we receive in fees. We therefore have an incentive to encourage a client to increase the assets in his/her account.
- In addition, as mentioned, our minimum account size is negotiable under certain circumstances and at our discretion. Should we agree to waive this minimum account size, we would receive less compensation for services provided. We, therefore, have a disincentive to waive this minimum.
- We receive various benefits as a result of our relationship with TD Ameritrade that are not generally available to retail investors. These benefits include access to technology, research, training, business resources, block trading, and operational support, among other benefits. Thus, we have an incentive to custody client accounts with TD Ameritrade rather than another custodian.

Conversation Starter. We encourage you to ask your financial professional:

- *How might your conflicts of interest affect me, and how will you address them?*

For additional information, please see Item 5 of our Form ADV, 2A Brochure (Part 2A) available at:

https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=588470.

How do your financial professionals make money?

Our financial professionals receive a salary. In addition, some of our employees are eligible to receive additional compensation for referring new clients to us, which could incent them to seek new clients instead of servicing existing accounts. Finally, some of our financial professionals are also firm owners who share the firm's profits. In theory, this creates an incentive for them to maximize profits through increasing managed assets or by reducing expenses in a way that harms our ability to service clients.

Do you or your financial professionals have any legal or disciplinary history?

Neither our firm nor our financial professionals have any legal or disciplinary history. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter. We encourage you to ask your financial professional:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

If you would like additional, up-to-date information or a copy of this relationship summary or our Form ADV, Part 2A Brochure, please call 740-452-4523.

Conversation Starter. We encourage you to ask your financial professional:

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*