



# BLOCK SOCIETY

Block Society LLC

2928 Monogram Avenue  
Long Beach, California 90815

<https://blocksociety.net/>

## FORM ADV PART 2A

### Block Society's Client Brochure

January 7, 2019

#### Item 1 Cover Page

This brochure ("Brochure") provides information about the qualifications and business practices of Block Society LLC ("Block Society"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and certain state regulatory authorities. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at (757) 236-6935 or at [stephen@blocksociety.net](mailto:stephen@blocksociety.net). Additional information about Block Society is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and on Block Society's website, <http://blocksociety.net>.

## **Item 2 – Material Changes**

This Item is not applicable as this document constitutes Block Society's initial Brochure.

### **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

### **A. General Description of the Company**

Block Society is a newly established, privately held limited liability company headquartered in Long Beach, California. This investment adviser firm focuses on alternative investment strategies and primarily focuses on cryptocurrency and risk mitigation strategies. Block Society has been an established LLC since September 2018; however, it is not currently open for business until after its registered investment advisor registration has been approved by the administrator.

Block Society's principal owners are Jeremy Horton, its Chief Executive Officer, and Stephen Harano, its Chief Operating Officer. Jason Greenfeld (Chief Technology Officer) and Rudolph G. Klapper (Chief Compliance Officer) round out Block Society's executive team. Additional information about Block Society's products, structure, and directors is provided on Part 1 of Block Society's Form ADV, which is available online at <http://www.adviserinfo.sec.gov> or at <https://blocksociety.net>. We encourage visiting Block Society's website at <https://blocksociety.net> for more information.

### **B. Summary of Investment Advisory Services**

Block Society specializes in cryptocurrency investments and blockchain technology. Investment advice is limited to cryptocurrency. Other services offered are educational in nature, including: lessons in exchange and trading fundamentals, technical and fundamental analysis, and underlying blockchain technology.

### **C. Client Needs**

Clients of Block Society are subscription-based and, as such, will not have services tailored to their individual needs. As trading signals are called, the client will determine if the trade is suitable for their level of allowable risk as indicated in the trade signal.

## Item 5 – Fees and Compensation

### A. Advisory Fees / Subscription Membership Tiers

Tier	Price (Per month)	Features
SILVER	\$49.99	<ul style="list-style-type: none"><li>• Relevant News</li><li>• Live Charts</li><li>• Entry &amp; Exit Points</li><li>• Exchange and Trading Fundamentals</li></ul>
GOLD	\$99.99	<ul style="list-style-type: none"><li>• Academy of Technical Analysis</li><li>• Relevant News</li><li>• Live Charts</li><li>• Entry &amp; Exit Points</li><li>• Exchange and Trading Fundamentals</li></ul>
PLATINUM	\$199.99	<ul style="list-style-type: none"><li>• Academy of Technical Analysis</li><li>• Relevant News</li><li>• Global Chat Rooms</li><li>• Text &amp; Email Notifications</li><li>• Live Charts</li><li>• Entry &amp; Exit Points</li><li>• Exchange and Trading Fundamentals</li><li>• Blockchain Technology and Cryptocurrency Course (BI.S101)</li></ul>

### B. Other Account Fees

Billing is by subscription only. Under no circumstances will Block Society accept commissions for trades or ad-hoc investment advice. The educational course in blockchain technology and cryptocurrency is a one-time \$499.99 billed at the time of purchase.

### C. No Hidden Fees

Block Society has no hidden fees or charges outside the published monthly subscription price or the one-time educational fee. Clients will be subject to third party transaction costs and their corresponding transaction fees dependent upon their chosen brokerage or exchange. Block Society may make recommendations on suggested exchanges, but the client bears full responsibility for actions taken within those exchanges.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

Block Society does not charge performance-based fees, nor does it compensate its personnel based on his or her respective performance. Clients (also called “members” herein) are only charged on a subscription basis as disclosed in Item 5 above, in addition to any a la carte educational offerings clients may purchase from time to time.

## **Item 7 – Types of Clients**

Block Society may solicit to both retail and institutional clients; however, a significant majority of clientele are individual retail investors. There are no requirements for subscribing to Block Society's advisement services other than the fee. Clients may not share Block Society's advisement services without Block Society's prior written consent.

## Item 8 – Methods of Analysis

### A. Investment Strategies

Investment advice is based on technical and fundamental analysis of the market and projections within the cryptocurrency ecosystem. Investment strategies will vary by client, though risk aversion and mitigation are inherent in all of Block Society's strategies. Typical strategies include target trading on a short to midterm timeline. Block Society does not promote day trading or scalping of any form. Additionally, some clients may venture into leverage trading and, as such, will be educated on the inherent risks therein. Trade advice is typically caveated with a 2% maximum portfolio value risk and also includes a risk level ranging from low, medium, and high risk. Investing in cryptocurrency has an inherent risk of financial loss. **Rule #1: Never invest more than you're willing to lose.**

### B. Risk Considerations

With cryptocurrency being in its infancy, the market is inherently volatile. Additionally, many assets within the class are start-up companies with little to no proven value. As a result, many projects will fail and their market value drop to zero. Block Society uses risk mitigation strategies in the form of stop loss suggestions, fundamental analysis, technical analysis, and fundamental portfolio management. Additionally, Block Society provides guidance on trades to compensate for potential losses in transfers and transaction fees.

### **Item 9 – Disciplinary Information**

Like all registered investment advisors, Block Society is obligated to disclose any disciplinary event that might be material to any Client when evaluating our services. Block Society does not have any material legal, financial, regulatory, or other disciplinary item to report to any Client. This statement applies to both Block Society and to all Block Society personnel.

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

Block Society is registered with the FINRA and is a registered investment adviser firm with the SEC and certain state regulatory authorities. Block Society will utilize the services of its analysts to provide sound technical analysis and, through Chief Operating Officer Stephen M. Harano, investment advice. In addition, Mr. Harano is a Series 65-certified investment adviser and Block Society's investment adviser representative. Mr. Harano does not provide investment advice for any other firm or individuals aside from Block Society.

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

Block Society’s paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its clients. This means that Block Society puts the interests of its clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Accordingly, Block Society has adopted a Code of Ethics (the “Code”), which is designed to ensure that we meet our fiduciary obligations to clients, enhance our culture of compliance within the firm, and detect and prevent any violation of law.

The Code establishes standards of conduct for all Block Society personnel, including officers, and is consistent with the code of ethics requirements under the Investment Advisers Act of 1940, as amended. The Code includes guidelines and requirements generally stating all personnel must comply with their fiduciary obligations to clients and applicable securities laws when applicable, as well as outlining specific rules regarding such topics as personal trading, insider trading, conflicts of interest, and confidentiality of member information. All Block Society personnel receive a written copy of the Code when hired by Block Society. Block Society personnel must sign a written acknowledgement of having received the Code and any amendments thereto that may be propagated and disseminated in the future. Block Society personnel are expected to acknowledge that they have complied with the Code on an annual basis.

Subject to certain exceptions specified in the Code, Block Society personnel may buy and sell cryptocurrencies for their own personal accounts that are recommended to clients. However, these personal transactions require pre-approval from Block Society’s compliance department, who determines if any actual or perceived conflicts exist with recommendations to clients. These personal cryptocurrency transactions may be subject to certain limitations depending on the size of the cryptocurrency transaction and the type of cryptocurrency being purchased. Block Society endeavors to monitor the cryptocurrency transactions of all its personnel and investigates any failure to receive pre-clearance to purchase or sell cryptocurrencies recommended to members. It also requires all personnel to report any violations of the Code promptly to the Chief Compliance Officer.

The complete Code of Ethics is available to any member or prospective member upon request.

## **Item 12 – Brokerage Practices**

Block Society does not place trade orders for securities or cryptocurrency transactions on behalf of clients. Clients are responsible for opening their own brokerage accounts on third-party websites. Block Society may recommend a third-party brokerage firm for its clients to use; however, Block Society does not receive any compensation from the clients, any third-party brokerage firm, or any third parties in connection with such recommendations.

When assessing the third-party brokerage firms or websites to recommend, Block Society will consider the following factors: execution speed, availability of asset classes, industry reputation, customer service, and overall execution quality, among other factors. To the extent that a third-party brokerage firm does not appear to meet the quality of best execution on a consistent basis, Block Society will not recommend that firm to its clients.

Block Society does not engage in any “soft dollar” practices involving the receipt of research or other brokerage service in connection with its clients, nor does Block Society compensate or otherwise reward any third parties for client referrals.

### **Item 13 – Review of Accounts**

Block Society does not review or analyze clients' individual accounts maintained at any third-party brokerage firm or other investing website.

Block Society provides all clients with continuous access via the website where clients can manage their subscriptions, recommendations, and other account materials. Clients may also receive period e-mail communications describing account information, new recommendations, educational offerings, and other product features.

On a period basis, Block Society may contact each client to remind him or her to review and update personal profile information they previously provided. Block Society also requests that clients re-confirm the same information on an annual basis. These notifications and confirmations include a link to the client's current account information and contact information for Block Society's support team. The Block Society team member whose tasks include supervising, arranging, and responding to these notifications, confirmations, and reviews is: Stephen M. Harano, Chief Operating Officer.

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

Block Society expects that it may, from time to time, run promotional campaigns to attract clients to open accounts on the website. These promotions may include additional account services or products offered on a limited basis to select clients, more favorable subscription models, and/or reduced subscription or other programming fees for clients that invite friends, family, or others to open an account with Block Society. These arrangements may create an incentive for a third party or other existing client to refer prospective clients to Block Society. These arrangements may also create a conflict of interest for a client to open or keep an account if doing so would result in eligibility to receive free account services or a reduced subscription fee.

Block Society currently does not pay third parties or clients for client referrals except to the extent clients may become eligible for reduced or free services on their account and on the website. Block Society does not pay for advertisements on a per-client basis based on prospective clients who may open an account based on said advertisement.

### **Item 15 – Custody**

This Item is not applicable. Block Society does not maintain client assets or funds. Block Society will only recommend third-party brokerage firms that maintain client funds according to SEC and federal and state regulatory authorities' rules and regulations.

### **Item 16 – Investment Discretion**

This Item is not applicable. Block Society does not manage securities or cryptocurrency accounts on behalf of its clients and does not have any discretionary authority of its clients' assets or funds.

### **Item 17 – Voting Client Securities**

This Item is not applicable. Because Block Society does not maintain custody of client assets or funds, Block Society does not have responsibility for voting proxies for client assets. Block Society recommends that its clients monitor their own portfolios, relevant corporate actions, and potential conflicts of interest to ensure that their assets and funds are consistent with the best economic interests of each client.

### **Item 18 – Financial Information**

This Item is not applicable because Block Society does not require or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. Block Society also does not have any adverse financial condition that is reasonably likely to impair our ability to provide the services our clients expect.

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

### **Management Background**

See response to Form ADV Part 2B – Block Society Brochure Supplement.

### **Other Business**

See response to Item 10 – Other Financial Industry Activities and Affiliations.

### **Performance-Based Fees**

See response to Item 6 – Performance-Based Fees and Side-by-Side Management. Block Society nor any of its personnel are compensated by performance-based fees in connection with services provided by Block Society.

### **Disciplinary Disclosures**

Neither Block Society nor any management persons have been involved in any activities resulting in a disciplinary disclosure.

### **Issuer of Securities**

Neither Block Society nor any management persons have any relationships or arrangements with any issuer of securities.



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## FORM ADV PART 2B

### Client Brochure Supplement

**January 7, 2019**

This Brochure Supplement provides information about essential Block Society personnel that supplements the Block Society Brochure you should have received above. Please contact Block Society at (757) 236-6935 or at [Stephen@blocksociety.net](mailto:Stephen@blocksociety.net) if you did not receive your Block Society Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about Block Society's supervised persons is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Block Society's day-to-day investment advisory services are provided by Stephen Michael Harano, our Chief Operating Officer and a Series-65 certified investment adviser. Block Society intends to supplement Mr. Harano's team as its team of future analysts test and pass their respective certification tests. For now, Block Society has provided group supplementary information below for Mr. Harano and the rest of our executive team.

#### **Stephen Michael Harano, born 1985**

##### Education and Certifications

B.A., Intelligence Studies with concentration in Intelligence Analysis, American Military University, 2011

M.S., Criminal Justice with concentration in Colorado Technical University, 2014

Professional Certificate in Blockchain Technology, University of California at Berkeley, 2018

### Business Background

Stephen Harano has been employed for the past two years with the Defense Intelligence Agency at North American Aerospace Defense Command and United States Northern Command. Stephen is also employed with the United States Navy Reserve as a Senior Chief Intelligence Specialist for the past 15 years.

Stephen currently serves as Block Society's Chief Operating Officer.

### Disciplinary Information

None.

### Other Business Activity

None. Mr. Harano does not have or maintain a relationship with any issuer of securities.

### Supervision

Mr. Harano serves as the Chief Operating Officer of Block Society and, as such, is not subject to additional supervision.

## **Jeremy Joseph Horton, born 1988**

### Education and Certifications

Honorable discharge after multiple years of service with the United States Marine Corps Infantry, including being awarded a medal for heroism – December 2008 to January 2013.

### Business Background

After graduating high school, Jeremy Horton went to work as the assistant plant manager at a major powder coating and high performance coating plant in Los Angeles, California where he oversaw 40 employees, and the plant's daily operations. After almost three years, he decided to join the United States Marine Corps Infantry, where he was honorably discharged after a little over five years. Jeremy has been employed with Mitsubishi Electric as a high-rise elevator technician for the past 4 years.

Jeremy has been investing/trading in traditional markets since he was 18 years old, and entered the cryptocurrency market in mid-2017. He is currently studying for his Series 65 license exam.

Jeremy currently serves as Block Society's Chief Executive Officer.

Disciplinary Information

None.

Other Business Activity

None. Mr. Horton does not have or maintain a relationship with any issuer of securities.

Supervision

Mr. Horton serves as the Chief Executive Officer of Block Society and, as such, is not subject to additional supervision.

**Jason Aaron Greenfeld, born 1978**

Education and Certifications

Early adopter for Microsoft's .NET MCSD certification

Current and active with Project Management Professional (PMP) and Certified Scrum Master (CSM) certifications.

Business Background

Jason Greenfeld has more than 20 years of experience in software management and development within the commercial and federal government sectors. Jason has made a career out of migrating legacy applications into faster, more stable, modernized solutions for multiple federal agencies such as the Departments of Energy, State, Veterans Affairs, Commerce, Education, Agriculture, and FEMA. Jason believes that introducing strong management principles combined with engaging the customer as early and often as possible and forming the right team is the perfect combination for delivering a successful project.

Prior to joining Block Society, Jason served as Chief Technology Officer for CAPRI Engineering, a structural and geotechnical engineering firm with offices throughout Florida, New York, Texas, Nevada, and California. As CTO, Jason ran the organization's IT division where he developed their flag ship business automation application, eCAPRI, as well as managed the team responsible for providing the IT infrastructure to all of the CAPRI's offices throughout the nation. As a partner and C Level Executive, Jason was instrumental in providing information to investors which lead to CAPRI Engineering being acquired by a larger engineering firm, NOVA Engineering. Jason has also worked

for other government and IT services consulting firms in the DC area , including one of the former big 5 firms, Bearing Point.

Jason currently serves as Block Society's Chief Technology Officer.

Disciplinary Information

None.

Other Business Activity

None. Mr. Greenfeld does not have or maintain a relationship with any issuer of securities.

Supervision

Mr. Greenfeld serves as the Chief Technology Officer of Block Society and reports to Jeremy Horton and Stephen Harano, the Chief Executive Officer and Chief Operating Officer, respectively, of Block Society.

**Rudolph Graham Klapper, born 1989**

Education and Certifications

B.S., Music Industry with a minor in Business Law, University of Southern California, 2011

J.D. with an emphasis in transactional entertainment law, Loyola Law School, 2014

Business Background

Rudy Klapper was employed as an associate attorney for the law firm of Parker, Milliken, Clark, O'Hara & Samuelian, a P.C., from April 2014 through January 2019, specializing in labor & employment and corporate law. Rudy is an experienced litigator and transactional attorney with an emphasis in emerging technologies, including blockchain. He currently practices at a large national firm and is admitted to practice in California and New York.

Rudy currently serves as Block Society's Chief Compliance Officer.

Disciplinary Information

None.

Other Business Activity

None. Mr. Klapper does not have or maintain a relationship with any issuer of securities.

Supervision

Mr. Klapper serves as the Chief Compliance Officer of Block Society and reports to Jeremy Horton and Stephen Harano, the Chief Executive Officer and Chief Operating Officer, respectively, of Block Society.