

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Brad L. Orr. If you have any questions about the contents of this brochure, please contact us at: (307) 265-0065, or by email at: bradlorr@bresnan.net. 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. Registration with the SEC does not imply a certain level of skill or training. Additional information about Brad L. Orr is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

April 16, 2013

## Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (307) 265-0065 or by email at: [bradlorr@bresnan.net](mailto:bradlorr@bresnan.net).

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# **Advisory Business**

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## **Firm Description**

The firm was founded in 2006.

Brad L. Orr provides personalized confidential investment management and advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Brad L. Orr is strictly a fee-only investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Brad L. Orr advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. Brad L. Orr does not act as a custodian of client assets. The client always maintains asset control. Brad L. Orr places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

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## **Principal Owners**

Brad Orr is the principal owner of the firm.

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## **Types of Advisory Services**

Brad L. Orr provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations.

As of December 31, 2012, Brad L. Orr manages approximately \$8,224,764.00 in assets on a discretionary basis for approximately 30 clients.

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**Tailored Relationships**

The goals and objectives for each client are documented and investment allocations are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Investment Advisory Agreement**

Most clients choose to have Brad L. Orr manage their assets in order to obtain ongoing investment management, in-depth financial advice and life planning. All aspects of the client's financial affairs are reviewed if necessary. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Agreement includes: cash flow management; investment management; education planning; retirement planning; estate planning; and tax planning, as well as the implementation of recommendations within each area.

The annual Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 0.88% on the first \$500,000;
- 0.88% on the next \$500,000 (from 500,001 to 1,000,000);
- 0.8% on assets between \$1,000,000 and \$2,500,000;
- 0.72% on assets between \$2,500,000 and \$5,000,000; and
- Negotiable fees on assets in excess of \$5,000,000.

Notwithstanding the above, fees are generally negotiable.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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### **Hourly Planning Engagements**

Brad L. Orr provides hourly advisory services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$165.00.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Brad L. Orr in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Brad L. Orr will refund any unearned portion of the advance payment.

Brad L. Orr may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Brad L. Orr will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

Brad L. Orr bases its fees on a percentage of assets under management, hourly charges, and fixed fees and these fees are negotiable.

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### **Fee Billing**

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. The client bears responsibility for verifying the accuracy of fee calculations.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Brad L. Orr.



Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

Brad L. Orr reserves the right to stop work on any account that is more than 30 days overdue. In addition, Brad L. Orr reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Brad L. Orr's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Performance-Based Fees**

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

## **Types of Clients**

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**Description**

Brad L. Orr generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and businesses.

Client relationships vary in scope and length of service.

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

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**Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, asset allocation services, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

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**Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations.

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach.

Investments may include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, U. S. government securities, mutual funds shares, exchange-traded funds, alternative investments, options contracts, futures contracts, and interests in partnerships.

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**Risk of Loss**

Advisor will use its best judgment and good faith efforts in rendering services to Client. Advisor cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment decision or recommendation made by Advisor will be profitable.

Client assumes all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, Advisor will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Advisor's adherence to Client's instructions; or (c) any act or failure to act by a custodian of Client's account.

Nothing in this Agreement shall relieve Advisor from any responsibility or liability Advisor may have under state or federal statutes.

Advisor does not have custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular

underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Code of Ethics**

The employees of Brad L. Orr have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm

will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Participation or Interest in Client Transactions**

Brad L. Orr and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Brad L. Orr *Compliance Manual*.

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**Personal Trading**

Brad Orr is the Chief Compliance Officer. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## Brokerage Practices

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**Selecting Brokerage Firms**

Brad L. Orr does not have any affiliation with product sales firms. The Client has the unrestricted right to select any broker-dealer or custodian he/she wishes. Brad L. Orr recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Brad L. Orr recommends discount brokerage firms and trust companies (qualified custodians), such as TD Ameritrade Institutional.

Brad L. Orr does not receive fees or commissions from any of these arrangements.

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**Best Execution**

Brad L. Orr monitors the execution of trades at each custodian. An annual review is performed and documented in the Brad L. Orr *Compliance Manual*. Trading fees charged by the custodians are also reviewed. Brad L. Orr does not receive any portion of the trading fees.

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**Soft Dollars**

Brad L. Orr does not receive additional compensation in the form of 12b-1 fees or soft dollar arrangements.

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**Order Aggregation**

Brad L. Orr may aggregate orders on behalf of clients. When orders are aggregated, the prices obtained will be averaged, and the accounts will be deemed to have purchased or sold their proportionate share of the securities or instruments involved at the average price obtained.

## Review of Accounts

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### Periodic Reviews

Account positions, market activity, and economic events are monitored on a daily basis. Account reviews are performed quarterly by Brad L. Orr or more frequently when market conditions or client circumstances dictate.

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### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### Regular Updates

As part of the review process consideration is given to the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Investment Advisory clients receive quarterly updates.

## Client Referrals and Other Compensation

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### Incoming Referrals

Brad L. Orr has been fortunate to receive many client referrals from existing clients over the years. The firm does not compensate referring parties for these referrals.

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### Referrals Out

Brad L. Orr does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Custody

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### Account Statements

All assets are held at qualified custodians which provide online access and monthly account statements directly to clients.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the quarterly performance reports provided by Brad L. Orr.

## Investment Discretion

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### Discretionary Authority for Trading

Brad L. Orr accepts discretionary authority to manage securities accounts on behalf of clients. Brad L. Orr has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Brad L. Orr consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Brad L. Orr does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

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### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## Voting Client Securities

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### Proxy Votes

Brad L. Orr does not vote proxies on securities on behalf of clients. When assistance on voting proxies is requested, Brad L. Orr will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## Financial Information

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### Financial Condition

Brad L. Orr does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Brad L. Orr does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## Business Continuity Plan

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### General

Brad L. Orr has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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**Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up and archived offsite.

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**Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## **Information Security Program**

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**Information Security**

Brad L. Orr maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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**Privacy Notice**

Brad L. Orr, Registered Investment Advisor, an investment advisory firm, is committed to safeguarding the confidential information of its clients. We do collect nonpublic personal information in order to open and administer your accounts with us and to provide you with accurate and pertinent advice. We hold all nonpublic personal information you provide to us in the strictest confidence. If we were to change our firm policy, we would be prohibited under the law from doing so without advising you first.

Brad L. Orr, Registered Investment Advisor collects personal information about you from the following sources:

- Applications or other forms.
- Discussions with unaffiliated third parties.
- Information about your transactions with us or others.
- Questionnaires.
- Tax Returns.
- Estate Planning Documents.

Brad L. Orr, Registered Investment Advisor uses your personal information in the following manner:

- We do not sell your personal information to anyone.
- We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer.)
- We will provide notice of changes in our information sharing practices. If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change so you will have the opportunity to opt out of such disclosure.
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws. After this required period of record retention, all such information will be destroyed.

## **Brochure Supplement (Part 2B of Form ADV)**

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### **Education and Business Standards**

Persons associated with the firm, other than persons whose functions are strictly clerical, are required to have a college degree and/or a professional designation such as J.D., CPA, CFP, CLU, MBA or equivalent experience in the securities industry.



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**Brad L. Orr**

Born December 26, 1968

Educational Background:

Bachelor of Science with Honor in Biochemistry, University of Wyoming

Business Background:

03/2006 – Present, Owner, Brad L. Orr, Registered Investment Advisor

10/2002 – 2006, Co-Owner, Vertical Construction, Inc.

02/2000 – 03/2006, Trader, Registered Representative, and Registered Principal, Raymond James Financial Services, Inc.