

# **BP Wealth Management, LLC**

**October 2014**

## **Wrap Fee Program Brochure**

### **Principal Office**

Ten Post Office Square  
Boston, MA 02109  
Phone: (617) 646-4828

### **Plano Office**

4965 Preston Park Blvd, Suite 350  
Plano, Texas 75093  
Phone: (972) 599-9550

[www.banyanpartners.net](http://www.banyanpartners.net)

This wrap fee program brochure provides information about the qualifications and business practices of BP Wealth Management, LLC. (“BPWM”) If you have any questions about the contents of this brochure, please contact us at (972) 599-9550 or [info@banyanpartners.net](mailto:info@banyanpartners.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.

Additional information about BP Wealth Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

We refer to ourselves as a “registered investment adviser”. Registration does not imply a certain level of skill or training.

## Item 2 - Material Changes

This is an updating amendment to the wrap fee program brochure prepared by Banyan Partners, LLC (“Banyan”). The wrap fee program described in this brochure was previously sponsored by Banyan, an SEC-registered investment adviser. On October 2, 2014, Banyan was acquired by Boston Private Bank & Trust Company, which contributed certain assets to its wholly-owned subsidiary, BPWM, the successor entity to Banyan. In 2013, Banyan acquired Rushmore Investment Advisors, Inc. (“Rushmore”), which, prior to October 1, 2013, sponsored the wrap fee program described in this brochure. Rushmore was an SEC-registered investment adviser, and the programs that were previously those of Rushmore continue to be operated, now as BPWM, out of Plano, Texas.

BPWM’s Plano, Texas office, (which previously housed Rushmore and Rushmore’s operations, including those with respect to its wrap fee programs), continues to operate without interruption. However, the name of the wrap fee program sponsor is now BP Wealth Management, LLC.

Should a material change occur after the date of this brochure, we will provide you with other interim disclosures about material changes as necessary. We will also ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year.

## Item 3 - Table of Contents

### Contents

Item 2 - Material Changes.....	2
Item 3 - Table of Contents.....	3
Item 4 - Services, Fees and Compensation .....	4
Item 5 - Account Requirements and Types of Clients.....	5
Item 6 - Portfolio Manager Selection and Evaluation .....	5
Item 7 - Client Information Provided to Portfolio Managers .....	7
Item 8 - Client Contact with Portfolio Managers .....	7
Item 9 - Additional Information .....	7

## Item 4 - Services, Fees and Compensation

BPWM participates in the Transaction Services and Consulting Program (TSCP) under which we serve as the discretionary investment manager and program sponsor. Client portfolios maintained under the program are managed in the same manner and along-side our non-wrap portfolios. In consideration for our investment management services provided under the program, we receive a portion of the total fee charged to each client.

Clients pay BPWM quarterly for services in advance in accordance with the following schedule of annual fees. The initial fee payment is payable on the date the TSCP Agreement is accepted by BPWM and will be pro-rated from such date to the end of the then current calendar quarter. Thereafter, each quarterly fee will be computed based on the value of the Account Assets on the last business day of the previous calendar quarter and will be payable on the first business day of the next quarter. The investment advisory fee charged by BPWM is as follows:

### Account Asset Value

On the first \$1,000,000	1.00%
--------------------------	-------

On the assets over \$1,000,000	.75%
--------------------------------	------

In addition, each account is charged a separate fee that includes consulting fees charged by BPWM regarding asset allocation, brokerage commissions, custodial and transaction fees. Those fees are as follows:

### Account Asset Value

On the first \$1,000,000	1.00%
--------------------------	-------

On the assets over \$1,000,000	.40%
--------------------------------	------

Fees may be negotiable in certain circumstances. BPWM retains between 60% and 85% of the Program's total fees as its portfolio management fee. Clients do not incur separate brokerage commissions.

Each Client authorizes quarterly fees calculated as described above to be debited to their account on the dates they are payable. The foregoing fees include all commissionable brokerage transaction services. They do not include transfer taxes, exchange fees, miscellaneous confirmation processing fees imposed by the broker dealer carrying clients account or other charges imposed by law and or regulators with respect to the execution of transactions in the Client's Account. In some cases Over the Counter transactions (OTC) conducted by the investment managers provide a credit to the Broker Dealer servicing your account. BPWM may receive a benefit from these credits. These credits are not included in the foregoing fee and are considered *de minimus*. In addition, the client may also be paying additional management fees to unaffiliated advisers when they invest in ETFs or mutual funds.

Minimum Annual Fee - BPWM employs an asset based pricing agreement with multiple custodians. Some custodians have an annual minimum fee that is described in the custodian's

account documentation. Custodian billing practices differ.

For clients whose custodian directly debits the clients' accounts for the custodian's portion of TSCP fees, BPWM provides and includes a credit for such previously deducted fees and adjusts its quarterly billing for its TSCP fee.

Clients may be able to purchase services similar to those offered under the Program from other service providers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than the Program, depending on the fees charged by such other service providers.

## **Item 5 - Account Requirements and Types of Clients**

The Program is available to a wide variety of clients including: individuals, institutions, trusts, foundations, state & local retirement funds.

The minimum account size is \$50,000. BPWM does not make any exceptions regarding minimum account size.

## **Item 6 - Portfolio Manager Selection and Evaluation**

BPWM serves as the investment manager for all of the portfolios in the wrap fee program. Since BPWM does not currently have any performance-based fee arrangements in any accounts with similar investments to those offered by the TSCP Program, BPWM does not have any conflicts that arise from side-by-side management of accounts that pay performance fees.

BPWM's investment strategy is based on the combination of our proprietary quantitative model and the broad skill set of our investment committee. Simply stated, our investment process harnesses the output of our quantitatively-rich model. Our model quickly gathers, analyzes, sorts, and synthesizes vast amounts of global equity data into a manageable list of equity candidates. These candidates are then validated through a fundamental review process and input from our investment committee. Companies identified possess earnings growth potential that has either not been recognized and/or is expected to continue to exceed earnings and revenues expectations for the foreseeable future. These companies typically respond with a predictable and measurable period of outperformance prior to Wall Street analysts recognizing the evolving earnings trend.

The net effect is a portfolio that we believe will exceed a comparable index/benchmark over a full market cycle of 3-5 years. Our investment committee is responsible for all stock selection and portfolio construction within the confines of the investment process. Only stock candidates identified within the investment process can be included in our portfolios.

BPWM's investment style performs best under market conditions that reflect a consistent up, down or flat trend, with the highest percentage of relative excess returns occurring in accelerating markets. In cases of market inflection or change in market leadership, the performance of our portfolios will tend to track or lag behind the benchmark as our model

requires time to see confirmation of a trend. Risk is mitigated by adhering to risk controls within the investment process. Our Investment process does not use leverage nor do we employ options in our standard portfolio strategies. On occasion, we will engage in covered call writing, put protection, and/or the use of leverage, to accommodate specific client requests. For such services an additional fee is charged on a case-by-case basis. We are not engaged in the sale of insurance, or commodity or futures transactions.

We research and employ a vast number of sources in our portfolio management activities. Aside from periodicals and subscription services we examine annual reports, corporate press releases, filings on the SEC EDGAR site, and participate in corporate conference calls.

While our research is thorough, clients must be prepared for the risk of loss. All investments in securities risk the loss of capital.

We have identified four principal types of risk:

- (1) Risk that the stock market declines or the price of individual securities decline while the true long term value of the company may be unchanged or possibly even higher;
- (2) Our analysis has been faulty;
- (3) External events may negatively affect the value of a specific company; and
- (4) Fraud, in which case no amount of analysis could have been sufficient.

#### *Proxy Voting*

As a general practice, and unless specifically agreed to otherwise in writing, BPWM is delegated the authority and responsibility to vote proxies on behalf of our clients through the execution of our investment advisory agreement. If authority has been granted to BPWM to vote proxies on a client's behalf, clients are not able to direct our vote in a particular solicitation. At any time however, the authority granted to us may be rescinded via written request.

BPWM has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Investment Advisers Act of 1940 that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients. To manage this process, we have retained the services of Glass Lewis as a voting delegate. Glass Lewis has developed domestic and global Voting Guidelines designed to advance the interest of individual shareholders through the proxy voting process. BPWM's policy is to vote in accordance with the recommendations of the applicable domestic or global Glass Lewis Voting Guidelines in affect at the time of voting.

In the event that a proxy related conflict of interest arises between BPWM and a client, we will rely upon the Glass Lewis Policies, Procedures and Practices Regarding Potential Conflicts of Interest for a resolution. In any event, it is the desire of BPWM to ensure that all proxies are voted in the best interest of the client.

## **Item 7 - Client Information Provided to Portfolio Managers**

Since BPWM is the sole investment manager for the wrap fee program, client information is not provided to any other manager.

## **Item 8 - Client Contact with Portfolio Managers**

Clients may contact BPWM at any time to discuss their accounts and investments.

## **Item 9 - Additional Information**

### ***Disciplinary Information***

Neither BPWM nor any of its employees have any disciplinary matters to disclose.

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

BPWM is a Registered Investment Adviser with no affiliated broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor. BPWM is a wholly-owned subsidiary of Boston Private Bank & Trust Company (Boston Private Bank), a private bank. Boston Private Bank may engage BPWM as a subadviser to accounts held by Boston Private Bank's clients. Boston Private Bank is a wholly-owned subsidiary of Boston Private Financial Holdings ("BPFH"), a publicly-owned company (NASDAQ: BPFH). BPFH directly owns four registered investment adviser firms that operate independently of each other and of BPWM. Although BPWM is affiliated with several entities engaged in financial services, none of the affiliations create a conflict of interest with respect to BPWM's clients or BPWM'S wrap-fee clients.

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

Section 204A-1 of the Investment Advisers Act of 1940 requires all investment advisers to establish, maintain and enforce a Code of Ethics. Accordingly, the Act places a fiduciary standard on the adviser to act in the best interest of each client.

BPWM has implemented procedures relating to personal securities transactions and insider trading. They are designed to identify and prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately, if they do occur. Any person who fails to observe our Code of Ethics and related firm policies risks serious sanctions, including dismissal.

BPWM has adopted a Code of Ethics whereby all employees (officers, and other associated persons) are considered "Access Persons" of the Firm. Access Persons are individuals who may have access to non-public information, or regarding our investment strategies and advice. All of our employees are subject to this Code and are expected to comply with applicable laws, exhibit high ethical standards and to place clients' interests first. The fiduciary duty of an adviser and its representatives is a core principle underlying the adviser's Code of Ethics and sets out the responsibility of the advisor to place the interests of clients ahead of its own.

BPWM employees are required to report all personal securities transaction. They also must report their holdings initially and on at least a quarterly basis. BPWM employees are required to report all securities transactions except for transactions in: U.S. government obligations; Money market funds; Bankers acceptances; Bank CDs; Commercial paper; High quality short-term debt instruments; shares issued by money market funds, open end mutual funds registered in the U. S. and shares issued by unit investment trusts that are exclusively invested in open-end mutual funds registered in the U. S. Our Chief Compliance Officer is responsible for reviewing these transactions and holdings.

BPWM employees may invest in the same securities that BPWM recommends to its clients. All such transactions are reviewed by BPWM's compliance department and if such transactions are permitted, it is because BPWM believes that such transactions are deemed not to present a conflict of interest considering the markets and liquidity for the securities traded. Any employee transaction in securities that would be deemed to create a conflict of interest with clients and/or client accounts would require prior review and approval.

Our Code of Ethics also provides that our employees may not serve on the board of directors of any public company, including mutual fund boards of trustees without approval. Employees must obtain prior written permission to serve as a trustee on a client account other than the account of a family member or to serve as a trustee or a board member for any charity or not for profit entity. Our employees do, in fact, serve various charitable, civic and community causes. If such service is approved, it is because it does not create any conflict of interest.

You may request a complete copy of our Code of Ethics by contacting us at the address, telephone or email address on the cover page of this Brochure.

### ***Client referrals and Other Compensation***

BPWM does not accept nor provide gifts or awards in any form to referring brokers, firms, agents or individuals.

In certain circumstances, BPWM may compensate third parties for client referrals. These arrangements are commonly referred to as "Solicitors Agreements." Compensation under these arrangements is percentage of the collected management fees for the referred client accounts. In these cases, the client will be notified of such arrangement, including the amount of fee to be directed to the referring party. In the event solicitors are utilized, we will ensure that the referring entity and/or individual are appropriately licensed, and that the referral arrangement is conducted in full compliance with applicable state and federal regulations.

BPWM manages accounts which originated as referrals from Charles Schwab & Co., Inc. ("Schwab") through BPWM's participation in the Schwab Advisor Network® ("the Service"). Although BPWM no longer actively participates in the Service, we continue to pay residual referral fees on those client accounts originated by the Service. Schwab is a broker/dealer independent of and unaffiliated with BPWM. Schwab does not supervise BPWM and has no responsibility for BPWM's management of clients' portfolios or other advice and services.



BPWM manages accounts in the TSCP that originated as referrals from TD Ameritrade, Inc. ("TD Ameritrade") through BPWM's participation in the TD Ameritrade AdvisorDirect program (the "referral program"). Although BPWM no longer actively participates in the referral program for our TSCP, we continue to pay residual referral fees on those client accounts in the TSCP originated by the referral program. TD Ameritrade is a broker/dealer independent of and unaffiliated with BPWM. BPWM continues to participate in the referral program with respect to accounts that are not part of the TSCP. TD Ameritrade does not supervise BPWM and has no responsibility for BPWM's management of clients' portfolios or other advice or services.

### ***TD Ameritrade – Additional Services***

As part of TD Ameritrade's Institutional program, BPWM receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisers participating in the program. Specifically, the Additional Services include ADVENT, a portfolio management and accounting system that includes trade processing and trade order management. TD Ameritrade provides the Additional Services to BPWM at its sole discretion and at its own expense, and BPWM does not pay any fees to TD Ameritrade for the Additional Services. BPWM and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services, which include the requirement that the Additional Services be used in connection with BPWM's investment advisory business for the direct or indirect benefit of BPWM's and TD's mutual clients.

BPWM's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to BPWM, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, BPWM's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with BPWM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, BPWM may have an incentive to recommend to its clients that the assets under management by BPWM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. BPWM's receipt of Additional Services does not diminish its duty to act in the best of its clients, including the duty to seek best execution of trades for client accounts.

As part of its fiduciary duties to clients, BPWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by BPWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BPWM's choice, or recommendation to its clients, of TD Ameritrade for custody and/or brokerage services.

### ***Client Referrals by Third Party Solicitors***

BPWM has a policy that allows us to accept clients referred by unaffiliated solicitors and to pay these solicitors a percentage of our fee without any additional charge to the client. This arrangement is not exclusive between BPWM and the solicitors and we may accept or reject any prospective client. We require each solicitor to disclose its relationship with us as well as our compensation arrangement to the client.

***Financial Information***

BPWM does not require prepayment of fees 6 months or more in advance and no financial condition exists that would impair our ability to meet our contractual obligation to our clients. BPWM has not been the subject of a bankruptcy petition at any time.