

Form ADV Part 2A

Item 1 – Cover Page

Lucid Advisors Inc.

**500 Union Street
Ste 600
Seattle, WA 98101**

**206.267.2222 (local)
800.351.1062 (toll-free)**

www.lucidadvisors.com

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This disclosure document or “Brochure” provides information regarding Lucid Advisors Inc.’s investment advisory business and the practices which constitute its operation. Lucid Advisors Inc. is registered with the Securities Exchange Commission (SEC) as an investment adviser. Registration does not imply any level of skill or training and you should not choose an investment adviser solely on the basis of its status as a registered investment adviser. Consideration should be given to all communication given (oral and written) by the investment adviser as well as their qualifications and business practices.

This Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

If you have any questions regarding this Brochure, or would like additional information, please contact Jessica Poznick at 206.267.2222 x230 or jpoznick@lucidadvisors.com. You may also find more information about Lucid Advisors Inc. on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

1. There are no material changes at this time.

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Item 4 – Advisory Business

Lucid Advisors Inc. (Lucid) was established in 2001 by Principals Bob Rupp and Greg Ashihara to provide independent professional services to retirement plan sponsors and institutional investors. Lucid is 100% employee-owned and expects its ownership to remain closely-held in this fashion indefinitely.

Lucid is a boutique firm registered with the US Securities and Exchange Commission as an investment adviser. Our primary advisory services specialize in helping companies and organizations with various aspects of their employee benefits, principally relating to retirement programs. A broad description of these services is listed below:

INVESTMENT CONSULTING SERVICES

Lucid provides a series of investment consulting services to retirement plan sponsors and other institutional investors. Our services are designed to assist these clients in the development and deployment of prudent investment processes related to their fiduciary investment assets devoid of any product representation or other conflicts of interest. These services may include, among other things, investment policy development, investment manager/mutual fund search processes, performance reporting services, risk analysis services, investment fee/expense analysis, and ongoing investment monitoring and due diligence.

RETIREMENT PLAN MANAGEMENT CONSULTING SERVICES

In addition to our investment consulting services, Lucid provides an array of other consulting services to sponsors of defined-contribution plans and other fiduciaries. Based upon our team's many years of work experience with these types of plans at a prior firm, we have a high degree of industry expertise and a broad network of business contacts. Please note that Lucid DOES NOT provide any retirement plan administration or participant recordkeeping services. Our role is to serve as an objective third-party consultant to the plan and sponsor on behalf of the plan participants. Our services are designed to help a plan sponsor to institute prudent plan management processes and help fulfill their fiduciary responsibilities. Our non-investment related consulting services include:

General Plan Management and Benchmarking:

In this role we actively assist and advise plan sponsors in evaluating and benchmarking their existing service-providers (for plan administration, custody or investment management) and when desired, assisting them in searches to select new, additional or replacement vendors. As independent experts in this complex and constantly changing field, we advise plan sponsors on the fairness of fees and the appropriate service levels they should expect from the various service providers their plans may need. Depending upon the structure of each client engagement, we conduct provider benchmarking and search (RFP) services either as a standalone project for a fee, or inclusive as part of an ongoing client relationship. As the scope of these projects can vary dramatically based upon the client's circumstances, our customary process is to develop a specific proposal and fee terms prior to engagement.

Plan Fee and Expense Analysis:

Our team has deep experience in the area of retirement plan fees, including the many forms of revenue-sharing programs which are often a primary source of revenue for other industry service providers.

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Many plan sponsors are unaware of the magnitude, or in some cases the existence of these fees despite their required disclosure. Our fee analysis consulting services are designed to accomplish three objectives:

- 1) Educate plan sponsors on their fiduciary responsibility to monitor plan expenses, and understand how plan expenses (whether direct or indirect) impact plan performance, and ultimately participants' retirement income;
- 2) Enable plan sponsors to determine and monitor their 'Total Plan Cost' and 'Total Plan Revenue' available through various commission and revenue-sharing programs; and
- 3) Actively assist plan sponsors in vendor fee-negotiations to manage Plan expenses and understand and/or control over plan revenues.

Employee Education and Communication:

Equally as important as offering a retirement plan or other employee program, is ensuring that the employees understand it. Our employees have worked with many large companies to design and develop customized communication materials for their workforce. Our experience in this area includes development of educational seminars, newsletters and intranet (private website) content to teach and reinforce basic financial principles and enhance the employees' understanding of their retirement plan or other company-sponsored programs.

PRIVATE CLIENT SERVICES

Note: Lucid provides services to individual clients only under certain circumstances. Please refer to Item 7 below for more information.

Lucid's private client services encompass the following financial planning areas:

- Retirement Planning
- Higher Education Planning
- General Estate Planning
- Taxable Investment Consulting

We construct balanced portfolios designed to consider all of our client's investable assets. We focus on understanding the individual needs and objectives of our clients, then developing a suitable investment plan within those constraints. Once a plan has been developed and reviewed with you, we select and recommend an appropriate mix of investment products to execute the plan.

Borne from the institutional discipline we developed from our consulting practice, we emphasize risk assessment and analysis in our investment consulting process. As such, our recommendations to you are tailored toward reasonable attainment of a targeted long-term rate of return while moderating risk. We are willing to forsake upside performance in order to constrain downside experience and in doing so we will generally favor consistently good performance over sporadically great performance. To increase consistency, we generally recommend exposure to multiple asset classes and diversify the investments utilized within each asset class amongst management styles and investment strategies.

The firm generally uses open ended mutual funds (typically institutional class) when constructing client portfolios. However, other securities could be recommended given the particulars of each client

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relationship. Other securities may include but are not limited to closed-end mutual funds, equities, bonds, annuities and ETFs. Where applicable, client imposed restrictions on certain investment products will be considered.

When your investment plan is established, we benchmark each asset class to applicable market indices for ongoing monitoring purposes. Your overall portfolio is measured against an appropriate benchmark as well as the long-term annualized return we have targeted for your portfolio. We may recommend periodic investment changes if we discover problems with a particular investment or it no longer fits into your plan for some reason. Furthermore, we may recommend changes in your portfolio asset allocation (distribution of assets amongst the various asset classes) to adapt to changes in your situation or long-term objectives. We generally do not recommend changes directly in response to any short-term market conditions.

Lucid generally does not perform research on individual stocks, and as such does not issue opinions or make specific recommendations for these securities. However, Lucid can facilitate trading in stocks upon client request and will monitor and report on performance of all securities in accounts subject to its supervision.

Lucid primarily manages client portfolios on a non-discretionary basis, which means we provide advice and recommendations to our clients, but do not implement the proposed recommendations until client authorization has been received.

As a Lucid Advisors client you can expect the following from us:

On a Quarterly Basis:

- Performance report outlining performance vs. established benchmarks (available monthly for mutual funds)
- Report outlining current portfolio weightings ('allocations') compared to targets established in your plan

On a Semi-Annual Basis:

- Meetings – in-person, conference calls and/or webinar sessions
 - Review portfolio performance, discussion of any recommended changes
 - Review overall investment plan and key objectives
- Individual Portfolio Commentary
- Report on current portfolio allocations compared to plan target weightings with allocation re-balancing analysis

Depending on the client and their situation, we may meet in-person more or less frequently. Clients welcome to request a meeting, and we encourage clients to keep us informed of any substantive changes in their financial situation.

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ASSETS UNDER ADVISEMENT

As of December 31, 2014, Lucid managed on a non-discretionary basis approximately \$519 million in assets. This figure represents all clients (corporate clients and private clients) receiving continuous and regular investment oversight from Lucid Advisors. Lucid currently does not have any discretionary assets under management.

Item 5 – Fees and Compensation

Lucid Advisors is a fee-only advisory firm. As such, the firm is only compensated by fees paid directly by its clients – we receive no compensation from any investment products or services we may utilize for or recommend to clients. It is Lucid's firm conviction this compensation model supports the firm and its representatives in proposing objective solutions and investments to its corporate and private clients.

CORPORATE CLIENT SERVICES

All fees are subject to negotiation based upon the specific terms and requirements of the engagement. Lucid routinely provides discounts to these fees for clients who contract for a package of related services ongoing.

Our standard process is to develop a proposal designed to fit each client's situation and tailor the fee based upon the services outlined therein and the frequency of delivery. This process includes creating a "Statement of Work" in which specific project terms and expectations are detailed. One client can have multiple "Statement of Works" depending on their needs and timeline. Each Statement of Work will have a project based fee (a set hard dollar amount) which is billed based upon terms agreed to at the inception of the project. Lucid charges a flat fee for service to the client and does not receive any commissions or other compensation in exchange for service from any other sources. Corporate clients will be invoiced for work according to the terms noted below.

Our standard Professional Services Agreement allows either party to terminate the relationship at any time with 30 days advance notice. Upon termination, any prepaid fees for the current period will be refunded on a pro-rata basis. If there is work in progress at the time of termination notification that the client desires to be completed (and Lucid consents to complete this work), the applicable refund period will be calculated from the time the completed work is delivered to the client.

Investment Consulting Services or Plan Management Consulting Services

We reach agreement with the plan sponsor in advance to determine an annual consulting fee based on the scope of work. Fees are dependent on the size of company and plan and services provided. Fees for ongoing consulting are typically billed quarterly in advance at the beginning of each calendar quarter. Length of the engagement is also detailed in the applicable Statement of Work.

Plan Fee and Expense Analysis:

We reach agreement with the plan sponsor in advance to determine a one-time flat-fee (dependent upon scope and plan design) to include data gathering, analysis and reporting. If vendor negotiations are included, we generally either negotiate a flat fee or a percentage of the first year's realizable cost

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savings to the plan. Fees are typically billed 50% up front with the balance due upon acceptance of work product.

Employee Education and Communication:

Customized seminar development fees are typically one-time fees negotiated based on topic and research requirements and scope. Fees include research and development and may include provisions for reasonable reimbursable expenses incurred. Development fees may be discounted substantially if we have already developed a similar program for another client available for adaptation in whole or part.

- Seminar delivery (in person): \$2,750/day for one consultant (up to 3 sessions), \$4,000/day for two consultants (up to 5 sessions)
- Travel time charged at 50% of above rate for a full day >6hours; 25% for a half-day 2-6hours; no charge<2hours
- Full reimbursement of travel costs (airfare, car rental, parking, taxi, etc.) without markup subject to a maximum of \$1,250/day/consultant
- Hotel per diem \$200/day/consultant, Food per diem \$40/day/consultant
- Webinar delivery: \$750-\$1,250/day depending on requirements

Development fees are typically billed 50% up front with the balance due upon acceptance of work product. Delivery fees and reimbursements are billed upon completion of delivery for a particular location or region, or at the end of each calendar month depending on circumstances.

PRIVATE CLIENT SERVICES

In exchange for our services, we charge a flat quarterly fee based upon the assets we manage for you in accordance with the tiered fee-schedule contained in our client agreement. We do not receive any commissions, fees, or rebates from any investment or insurance companies in exchange for utilizing their products or services with our clients; our revenues come only from one source, our clients.

Our current standard fee schedule is as follows:

Assets Advised	Annual Fee
\$0 up to \$150,000	\$1,750
\$150,001 up to \$250,000	\$2,250
\$250,001 up to \$375,000	\$3,100
\$375,001 up to \$500,000	\$3,700
\$500,001 up to \$750,000	\$4,900
\$750,001 up to \$1,000,000	\$7,250
\$1,000,001 up to \$1,500,000	\$8,500
\$1,500,001 up to \$2,000,000	\$12,000
\$2,000,001 up to \$3,000,000	\$14,750
\$3,000,001 up to \$4,000,000	\$19,000
\$4,000,001 up to \$5,000,000	\$21,750

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\$5,000,001 up to \$7,500,000	\$26,000
\$7,500,001 up to \$10,000,000	\$32,500
\$10,000,001 up to \$12,500,000	\$36,500
\$12,500,001 up to \$15,000,000	\$40,500
\$15,000,001 up to \$17,500,000	\$45,000
\$17,500,001 up to \$20,000,000	\$50,000
\$20,000,001 up to \$25,000,000	\$55,000
\$25,000,001 up to \$30,000,000	\$60,000
\$30,000,001 up to \$40,000,000	\$70,000
\$40,000,001 up to \$50,000,000	\$80,000
\$50,000,001 up to \$75,000,000	\$90,000
\$75,000,001	\$100,000

Fees may be negotiable based upon the circumstances; Lucid Advisors is willing to consider client-specific circumstances and proposals. Fees may be discounted or waived for certain clients (including, but not limited to, firm employees and family members) depending on the specific situation and the nature of work required.

Client accounts are valued at the end of the quarter and fees are billed quarterly in advance typically during the first month of the subsequent calendar quarter. Client quarterly fees will be directly debited from their investment account(s). Clients engaging Lucid mid-quarter will have their fee pro-rated for the remaining number of days in the quarter their accounts are under management. Days will be counted from the day our agreement is executed and the pro-rated fee will be added to their first full quarterly billing.

Our standard Client Services Agreement allows either party to terminate the relationship at any time with 30 days advance notice. Upon termination, any prepaid fees for the current period will be refunded on a pro-rata basis (same as noted above). If there is work in progress at the time of termination notification that the client desires to be completed (and Lucid consents to complete this work), the applicable refund period will be calculated from the time the completed work is delivered to the client. Any earned, unpaid fees will be due and payable.

Lucid's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which could be incurred by the client. Certain charges may be imposed by custodians or third party managers including manager fees, custodial fees, wire transfer and electronic fund fees, commissions, transaction 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 Lucid's fee and Lucid shall not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors Lucid considers in selecting and recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

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

Performance based fees are charged on the gains or appreciation a client account achieves during management. Lucid does not charge any performance based fees.

Item 7 – Types of Clients

Retirement Plans

Lucid provides retirement consulting services primarily to corporate pension plans, 401(k) and other defined contribution plans sponsored by businesses and organizations. Lucid does not have any specific requirements or qualifications that need to be fulfilled when working with these clients, but reserves the right to refuse or discontinue any engagement.

Private Clients

On a limited basis, Lucid also provides investment supervisory services to individuals who desire to pay a quarterly fee for investment advice, assistance with financial goal and objective setting and/or overall financial planning with a particular emphasis on retirement planning. These 'Private Client Services' were initially offered to firm employees, family and friends, and have subsequently expanded gradually through ad-hoc client referrals. Lucid does not actively market these services.

General qualifications for new clients include the following: investable assets of at least \$1,000,000 (minimum), willingness to use Lucid as the primary adviser and a willingness to move available investment accounts to an acceptable custodian within a reasonable time frame (e.g. 6 months or less). Lucid reserves the right to make exceptions based upon individual circumstances.

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

Investing involves risk. Current and prospective clients must be aware that their investments will be subject to market risk and could lose money. It is our objective as your adviser to help you understand the risks involved with investing in the stock and bond markets and help you tailor your portfolio according to your risk tolerance.

Lucid's investment monitoring, analysis and portfolio construction are founded on the premise that asset allocation is the greatest determinant of a portfolio's success in achieving its long-term goals. We employ the Black-Litterman Model to develop strategic asset allocations based upon historical and projected asset class performance, correlations and volatility.

Models typically combine equity and debt investing with moderate allocations to other asset classes including real estate and commodities, generally implemented through mutual fund strategies. The asset allocation is commensurate with the underlying risk the model is taking. More conservative portfolios will hold a greater proportion of bond and short-term investments than models seeking to capture a higher rate of return. Stock and bond weightings in the model will be further diversified into more specific asset classes by equity size and style, fixed income sector and quality, with both U.S. and foreign/international components.

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Lucid maintains an Investment Committee tasked with the review/oversight of all investment vehicles, asset allocation research and financial modeling for the firm. Lucid conducts research on an ongoing basis, reviewing all investment vehicles as part of a thorough, quarterly analytic process. All investments recommended by Lucid require Committee approval prior to implementation in client portfolios.

Our investment research process utilizes quantitative factors including performance and risk measures as well as investment style consistency, management tenure and expenses to screen the universe of available investments to identify potential candidates. Finalists are then scrutinized in greater detail over multiple historical time periods and subjected to qualitative reviews of investment strategy, management/firm stability, regulatory considerations, consistency of results, risk management and reporting/analytic capabilities.

When using mutual funds, Lucid seeks to utilize the lowest-cost share class available to the client. Lucid does not recommend or utilize funds with loads or sales charges unless they have been waived for Lucid's clients by the fund company. Opportunities to lower costs through alternate share classes as client assets grow are given regular consideration in Lucid's ongoing monitoring of portfolios.

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 Lucid or the integrity of Lucid's management. Lucid has no information to disclose pertaining to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Lucid does not maintain any relationships or affiliations with any other market participant. We are completely independent from any bank, broker-dealer firm, wire house, investment company, hedge fund, accounting firm, law firm, etc. and our employees are not allowed to concurrently work for or otherwise represent any other financial services firm. Collectively and independently, our firm and employees have no material relationships which create a conflict of interest in the services we provide to companies and individuals.

With respect to "Other Financial Industry Activities", since Lucid provides a broad range of consulting services to sponsors of qualified plans which may not specifically relate to investment advice. We estimate up to 50% of our time may be spent on non-investment advisory activities. This ratio can vary significantly from time to time based upon client engagements underway.

Item 11 - Code of Ethics

As a requirement of Rule 204A-1 under the Advisers Act of 1940, Lucid has established and maintains a Code of Ethics ("Code") which provides a basic framework of ethical and legal standards within which the Firm and all employees are expected to operate. This Code is intended to promote the highest standard of integrity and deter any wrongdoing. All employees acknowledge the Code and are

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responsible for upholding its requirements. The Code also defines consequences that may be inflicted upon an employee if he/she is found in violation.

Lucid's Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on receiving significant gifts and personal securities trading procedures among other things. All supervised persons at Lucid must acknowledge the terms of the Code annually, or as amended.

Regarding personal securities trading, Lucid or its employees may purchase and/or sell securities or investment products that it has previously or is currently recommending to clients. Due to varying interests and investment objectives, it is possible that the firm or individual employees may be buying a security or investment product on the same day that a client is buying or selling that same security or investment product. To the extent it is aware, Lucid will always submit client trades prior to firm or employee trades to be made on a given day. The firm has a number of policies and procedures in place to protect client transactions and ensure client interests always receive priority over firm or employee interests. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Lucid and its clients.

Lucid's Supervised Persons Trading Policy requires employees who desire to effect a transaction to "pre-clear" the trade with the Chief Compliance Officer (CCO). This pre-clearance requirement prevents firm personnel from disadvantaging clients by placing a trade before them (front-running or scalping) or placing trades against them. The CCO ensures employees are not trading in securities that are currently prohibited by the firm (e.g. stock issued by a company which is also a client of Lucid Advisors), and any client trades in the same security are executed first. Complete transaction details must be reviewed by the CCO (other than the employee involved) of the firm. This policy does not apply to open-ended mutual funds (which only change in price at the end of each trading day). Lucid maintains duplicate records of all employee transactions and account statements.

Despite Lucid's policies and procedures, it is still possible that an employee security holding may benefit from market activity initiated by a client. Lucid believes this situation would be unlikely due to the fact most trades are placed in open end mutual funds, and further if any benefit was to be realized it would likely be very small given the size of most trades, but we acknowledge the possibility exists.

Lucid does not affect principal or agency cross securities transactions between client accounts, firm accounts, employee accounts or any combination thereof. Principal transactions involve the adviser acting as Principal for its account (or an affiliate's account) and using its own assets when buying from or selling to the client. An agency cross transaction is a transaction in which the investment adviser acts as broker for both sides of the transaction. The adviser is broker for both advisory client and the other side of the deal. These types of transactions are possible when an adviser is dually registered as a broker-dealer or has an affiliate that is a broker-dealer, neither of which apply to Lucid.

A copy of the Code is available to all clients and prospective clients upon request by contacting our Chief Compliance Officer, Jessica Poznick at jpoznick@lucidadvisors.com or 206.267.2222 x230.

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Item 12 – Brokerage Practices

Lucid evaluates broker-dealer services on a number of factors. Consideration is given to reputation, financial strength, customer service, execution ability, commission rates, and client access interface amongst other factors. Lucid primarily recommends Fidelity Brokerage Services and National Financial Services LLC (collectively, and together with all affiliates, “Fidelity”) to Private Clients for their custodial and brokerage needs. Fidelity has a strong reputation in the industry of providing excellent service to clients, efficient brokerage services, comprehensive online services, robust continuity planning in the event of an emergency and serious dedication to keeping client assets secure.

Fidelity provides Lucid with “institutional platform services”. These services include brokerage, custody and other related services. These services include software and technology that provide access to client account data (including client statements and trade confirmations), facilitate trade execution and trade allocation capabilities, provide research, pricing and other market data, facilitate payment of fees from clients’ accounts and assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers services intended to help Lucid manage and further develop its business practice. Such services include but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, practice management resources, webinars and access to consultants and other third party service providers that provide a wide array of business related services whom Lucid could contact.

Lucid is independently owned and operated. It is not affiliated with Fidelity.

Fidelity generally does not charge custody clients (you) for holding investment accounts. However, it is compensated by account holders (you) through commissions and other transaction-related or asset-based fees for securities trades executed through Fidelity and settling in Fidelity accounts. For example, transaction fees are charged for certain no-load mutual funds and commissions are charged for individual equity and debt security transactions. Due to Lucid’s aggregate business with Fidelity, it has negotiated a discounted fee schedule covering its (Lucid) clients’ debt and equity trades that are generally lower than retail commission levels available to clients contracting with Fidelity directly. It is also Lucid’s policy to use the lowest cost mutual fund share classes in client accounts wherever reasonable.

Lucid and Fidelity have a negotiated fee schedule; however, since Fidelity Investments is a broker/dealer and may execute trades as either “broker” or “dealer” there may be some instances Lucid does not know what the commission or mark-up on the trade will be. As such, it could be construed that Lucid can determine what commissions a client will pay on certain trades. Lucid reviews all trade details to ensure accuracy and all commissions are reasonable and in the client’s best interest.

Lucid does not receive commissions, soft dollars or other compensation for recommending Fidelity as its primary custodian. Lucid does not have “soft dollar” arrangements with any firm.

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As a fiduciary, Lucid seeks always to act in its client's best interests. However, it may be perceived that it is in Lucid's best interest to recommend Fidelity to its clients for the availability of some or all of the foregoing services and products listed and not solely on the nature, cost, quality of custody and brokerage services provided to clients and as such creates a conflict of interest. It is Lucid's express belief that these services do not cost clients more because of their availability. Lucid, considerate of its best execution obligation, has negotiated a discounted fee schedule which benefits all of its clients. Lucid also believes it isn't the lowest price or the best price that determines best execution. Rather it is achieving the best overall execution for that given point in time. However, Lucid primarily recommends and executes trades involving institutional share class mutual funds or no-load mutual funds which do not charge a commission and do not involve best execution determinations since their price only changes once per day.

Item 13 – Review of Accounts

Lucid maintains an Investment Committee tasked with reviewing all client investments on a quarterly basis. Lucid's Investment Committee is comprised of our Managing Principal and Analyst. Client investments are compiled into separate internal reports which track investment performance, performance measured against a pre-selected benchmark, cash flows in and out of the portfolio, current asset allocation, etc. All client accounts are reviewed internally each quarter.

Corporate clients who have contracted with Lucid for ongoing investment monitoring generally meet with Lucid quarterly to review this information. Additional meetings may be scheduled based upon specific circumstances.

For Private Client accounts or relationships with assets exceeding \$500,000, Lucid generally conducts an investment review quarterly or semiannually depending upon the client and their situation. For accounts or relationships less than \$500,000 Lucid generally conducts a review annually. Reports are generally provided to the client via posting to our secure web portal subsequent to the completion of Lucid's internal review, irrespective of a scheduled client review meeting. Reviews are also conducted when Lucid is notified of a change in investment objective or a substantive change in financial position.

Clients can generally expect to meet with us at least once per year and are always free to request a meeting for any reason. Specifically, we encourage clients to meet with us to review and discuss any significant current or potential changes to their financial situation, investment objectives, risk tolerance or goals. Lucid's reports are in addition to the regular client statements and transaction confirmations that are generated by the client's broker and/or custodian. Although supporting information, including research and other data gathering may be conducted by an associate or staff member, our current process involves a Lucid Advisors Principal reviewing and approving the reports prior to distribution or discussion with the client. At the current time, Lucid has two Principals and anticipates maintaining a maximum ratio of 50 relationships per Principal. This maximum, as well as the number of Principals are subject to change at any time.

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Item 14 – Client Referrals and Other Compensation

From time to time, Lucid Advisors may ask current clients for referrals of potential new clients. Lucid may also receive referrals from service providers, custodians, plan sponsors and other groups in the retirement plan industry. Any such referrals will be based only upon Lucid's industry reputation and business interactions with these parties. Lucid does not compensate other industry service providers for referrals and does not enter into any pay-to-play or quid-pro-quo arrangements with any service providers. Lucid may, however, enter into arrangements with industry service providers to sponsor seminars or other meetings or events for clients and prospective clients. As of the date of this disclosure, Lucid has no such arrangements in place, but this is subject to change at any time. If and when any such arrangement is made, Lucid will clearly disclose any such sponsorship(s) to all meeting/event attendees and participants.

Item 15 – Custody

When advising corporate clients, Lucid does not directly access or take custody of any plan assets. From payroll deposits to trust balances, all operational functions regarding plan assets are handled by the corporate plan sponsor and other services providers to the plan.

Lucid also does not "custody" or take possession of private client assets at any time, although Lucid does have the ability to deduct its advisory fees from client accounts subject to client authorization. Lucid utilizes qualified custodians to hold and maintain client investment assets. At this time, Lucid uses Fidelity Investments as its primary custodian for Private Client accounts. As Lucid works with mostly client retirement assets, clients could have another qualified institution holding their employer-sponsored retirement plan account(s).

Clients receive statements from their qualified custodian at least quarterly. Clients who have accounts with Fidelity Investments will receive monthly statements unless there is no activity for that month. If there is an extended period of inactivity, Fidelity will send quarterly statements. Fidelity also sends trade confirmations to clients after any trade is executed in their account. Clients should review these statements and trade confirmations upon receipt. Lucid Advisors provides clients with a quarterly performance report. Lucid urges Clients to review the quarterly performance report as well as their custodial statements.

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Item 16 – Investment Discretion

In some situations, clients may desire to authorize Lucid to conduct transactions in their accounts without obtaining specific consent in advance, typically referred to as 'discretion'.

Discretionary authority includes the ability to determine the following–

- the security to buy or sell
- when to buy or sell the security
- how much of the security to buy or sell

Lucid Advisors does not utilize discretion as a standard practice, but may accept discretion in certain circumstances based upon a client's request or requirements.

For retirement plan clients who desire to engage Lucid's services in the capacity of an ERISA 3(38) Fiduciary (an investment manager having investment discretion over plan assets), our responsibilities would be defined in an applicable Statement of Work with the client. Additional documentation of Lucid's discretionary authority may also be required by the plan's designated custodian and/or other service providers. Further investment guidelines would also customarily be defined in the client's Investment Policy Statement or similar document.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Lucid does not vote proxies on behalf of clients. Clients maintain responsibility to vote all proxies related to investments in their accounts.

From time to time, clients may ask or reasonably expect Lucid to advise them on proxy matters, in particular with respect to mutual fund proxies wherein Lucid has recommended and/or is providing fiduciary monitoring services over the fund(s). In these circumstances Lucid will maintain documentation supporting its advice noting and disclosing any conflicts of interest which may exist or arise. Clients are able to request copies of Lucid's proxy advisory history at any time.

Item 18 – Financial Information

Lucid has no financial circumstances to report. It has not been the subject of a bankruptcy petition at any time during the past ten years and is not subject to any financial condition that would impair its ability to meet its contractual or fiduciary obligations to clients.

As Lucid does not require payment of fees in excess of \$1,200 per client more than six months in advance of services rendered, disclosure of financial statements are not required.