

Paracle Advisors, LLC

SEC File Number: 801 – 63993

**Firm Brochure
Dated 03/20/2015**

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This brochure provides information about the qualifications and business practices of Paracle Advisors, LLC (“Advisor”). If you have any questions about the contents of this brochure, please contact us at (206) 466-6200 or compliance@paracle.com. 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 Paracle Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to about Paracle Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 • Material Changes

This updates the brochure dated November 20, 2014 and provides an update on the assets under management and clarification on a change in billing practices.

Pursuant to new SEC and state rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

If you would like additional information please contact us at www.paracle.com or (206) 466-6200, or through the SEC's website at www.adviserinfo.sec.gov.

Item 3 • Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	4
Item 6	Performance-Based Fees and Side-by-Side Management.....	5
Item 7	Types of Clients.....	5
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9	Disciplinary Information	6
Item 10	Other Financial Industry Activities and Affiliations	6
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	6
Item 12	Brokerage Practices	6
Item 13	Review of Accounts	7
Item 14	Client Referrals and Other Compensation.....	7
Item 15	Custody	8
Item 16	Investment Discretion	8
Item 17	Voting Client Securities.....	8
Item 18	Financial Information.....	8

Item 4 • Advisory Business

Paracle Advisors, LLC (“Advisor”) is a limited liability company formed on February 11, 2004 in the state of State of Washington. The Advisor became registered as an Investment Adviser Firm in February 2004. The Advisor is owned by Elliott J. Brink, Joshua E. Harris, Anne Marie L. Kessler and Duane Duim. As discussed below, the Advisor offers investment advisory services to individuals, business entities, trusts, estates, foundations and charitable organizations. The Advisor may also provide financial planning or related consulting services to its investment advisory clients.

Investment Advisory Services

The client can engage the Advisor through its Investment Advisor Representatives (“Representatives”) to provide discretionary investment advisory services on a *fee-only* basis. The Advisor’s annual investment advisory fee (“Fee”) is based upon a percentage (%) of the market value of the assets placed under the Advisor’s management or on a flat annual fee, which is fully described in the written client agreement (“Agreement”) signed between client and Advisor.

The Advisor’s Fee shall include investment advisory services, on-going financial planning and consulting services.

Limited Consulting/Implementation Services

The Advisor *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Advisor. Advisor will not receive any separate or additional fee for any such consultation services. Neither the Advisor, nor any of its Representatives, serves as an attorney, or licensed insurance agent, and no portion of the Advisor’s services should be construed as same.

Please Note: Although Advisor’s Principals, Joshua E. Harris and Anne Marie L. Kessler, in their separate individual capacities are licensed as Certified Public Accountants, Mr. Harris and Ms. Kessler do not provide accounting services to any of the Advisor’s clients, and no corresponding CPA-client relationship is established.

To the extent requested by a client, the Advisor may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Private Investment Funds

Advisor may provide investment advice regarding private investment funds. The Advisor’s role relative to the private investment funds shall be limited to its initial due diligence and investment monitoring services. If a client determines to become a private fund investor, the most recent valuation provided by the fund sponsor shall be included as part of “assets under management” for purposes of Advisor calculating its Fee. If fund sponsor does not provide a valuation, Advisor will use the amount of assets client has invested in the fund(s) for calculating its fee. Advisor’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation: In the event that the Advisor references private investment funds owned by the client on any supplemental account reports prepared by the Advisor, the value(s) for all such private investment funds shall reflect either the initial purchase, cumulative contributions or the most recent valuation provided by the fund sponsor. Considering the illiquidity of these investments it is very important to know that the liquidation value of these positions could be significantly more or less than the original purchase price or value as being reported.

Sub-Advisory Arrangements

The Advisor may engage sub-advisors ("Sub-advisors") for the purpose of assisting the Advisor with the management of its client accounts. The Sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Advisor. The Sub-advisor shall continue in such capacity until such arrangement is terminated or modified by the client or Advisor. Sub-advisor fees will be determined by a separate agreement between the client and Sub-advisor and are in addition to Advisor's Fee.

Client Obligations

In performing its services, Advisor shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the responsibility of the client to promptly notify the Advisor of any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising Advisor's previous recommendations and/or services.

Disclosure Statement

A copy this Brochure (Part 2A of Form ADV) will be provided at the time the Client executes the Agreement. Any client who has not received a copy of this Brochure at least 48 hours prior to executing the Agreement shall have five business days subsequent to executing the Agreement to terminate the Advisor's services without penalty.

The Advisor shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Advisor shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Advisor's services.

As of December 31, 2014, the Advisor had \$588,396,915 in assets under management on a discretionary basis and \$3,534,740 in assets under management on a non-discretionary basis.

Item 5 • Fees and Compensation

Investment Advisory Services

If a client engages the Advisor to provide discretionary investment advisory services on a fee-only basis, the Advisor's annual Fee shall be either a flat fee or based upon a percentage (%) of the market value and type of assets placed under the Advisor's management (between 0.25% and 1.00%). Fees will be charged from the date the Agreement is signed and will continue until terminated by either party. The standard fee schedule is noted below but it is possible that a different schedule could be applied. Client should refer to the Agreement for the fee rate for their accounts.

Annual Fee	Managed Assets
1.00%	the first \$1,000,000, plus
0.75%	the next \$2,000,000, plus
0.50%	the next \$3,000,000, plus
0.25%	for amounts greater than \$6,000,000

Advisor's annual Fee shall include investment advisory services, and financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Advisor), the Advisor may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. Clients may elect to have the Advisor's advisory fees deducted directly from their account. Both Advisor's Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Advisor's Fee and to directly remit the Fee to the Advisor in compliance with regulatory procedures. In the unlikely event that the Advisor bills the client directly, payment is due upon receipt of the Advisor's invoice.

The Advisor bills their Fee in advance for every three-month period. For clients who started with Advisor prior to March 15, 2015, the Advisor will calculate and send an invoice to the client one month prior to debiting the funds. This creates a one-month delay between the value used in the Fee calculation and the start of the billing period. For any clients who started with Advisor after March 15, 2015 and all clients after June 30, 2015 the three-month fee will be calculated using the value at the beginning of their three-month billing period. The value used will include all positions in the account(s), cash, declared and paid dividends, accrued income and interest payments, unless specifically excluded or restricted from billing in writing by the client.

The Advisor generally requires a quarterly minimum fee of \$2,500 for investment advisory services. The Advisor, in its sole discretion, may charge a lesser Fee and/or reduce or waive its minimum quarterly fee requirement based upon certain

criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Unless the client directs otherwise, the Advisor will generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") and/or Fidelity Investments ("*Fidelity*") serve as the broker-dealer/custodian ("*Custodian*") for client assets. All Custodians charge transaction fees for effecting certain securities transactions (i.e. transaction fees for certain no-load mutual funds, individual equity and fixed income securities transactions, etc.). In addition to Advisor's Fee, and transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Accordingly, client should review the fees charged by the investments, Custodian(s), Sub-Advisors and the Advisor to fully understand the total amount of the fees being paid. Additionally, the investments selected for the clients are not exclusively available to the Advisor and could be obtained through other unaffiliated firms and potentially at a lower fee.

When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Advisor, Sub-advisor and/or the client have entered into arrangements for prime brokerage clearing services. This could include affecting certain client transactions through other SEC registered and FINRA member broker-dealers, in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the Custodian.

The Agreement between the Advisor and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement. Upon termination, the Advisor shall refund the pro-rated portion of the advanced advisory Fee paid based upon the number of days remaining in the billed period.

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

Neither the Advisor nor any supervised person of the Advisor charge performance-based fees.

Item 7 • Types of Clients

The Advisor's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Advisor generally requires a quarterly minimum fee of \$2,500 for investment advisory services. As noted earlier, the Advisor may charge a lesser investment management fee and/or reduce or waive its minimum quarterly fee requirement.

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

The Advisor may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Advisor may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Please Note: Investment Risk: Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Advisor) will be profitable or equal any specific performance level(s).

The Advisor's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Advisor must have access to current/new market information. The Advisor has no control over the dissemination rate of market information; therefore, unbeknownst to the Advisor, certain analyses may be compiled with outdated market information, severely limiting the

value of the Advisor's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Advisor's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy. Additionally, higher allocations to cash positions may incur an opportunity cost of earning lower returns on cash while other investments experience higher returns.

Currently, the Advisor and or the Sub-advisor will primarily allocate client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds, on a discretionary basis in accordance with the client's designated investment objective(s). All Investments have the risk of losing value. Some investments have the risk of defaulting on interest or principle payments. Clients are also faced with the risk that inflation will outpace the returns of some investments, which lowers the purchasing power of that investor. It is important that you understand that there are numerous risks associated with your investments.

Clients should contact their Representative or the Advisor for questions on risk in their accounts.

Item 9 • Disciplinary Information

The Advisor has not been the subject of any disciplinary actions.

Item 10 • Other Financial Industry Activities and Affiliations

The Advisor's sole source of income are advisory fees received for providing investment management services to clients.

Item 11 • Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Advisor requires all IARs and Advisor employees be subject to its Code of Ethics ("Code"), which sets standards of behavior intended to establish a high level of professionalism, integrity and fair dealing with clients. The Code does allow Representatives and Advisor employees to maintain personal securities accounts at any broker-dealer. The Advisor does not require prior review or approval for trades in those accounts. Additionally, IARs are allowed to purchase investments for their accounts that are also purchased in client portfolios. This could create a conflict of interest in that the Representative or employees could benefit from personal trading using the knowledge gained through their affiliation with the Advisor. The Advisor has created policies and procedures to ensure that Representatives or employees are not using their position for their own economic advantage. The Representative and employees are not allowed to:

- Trade on inside information.
- "Front-run" or trade in anticipation of client transactions.
- Participate, trade or participate in any activity prohibited under the federal securities laws.
- Place their interests in front of clients.

All personal trading is reported to and periodically reviewed by the Advisor. For a copy of the Code please call Advisor at (206) 466-6200.

Item 12 • Brokerage Practices

All transactions enacted by the Advisor are made through the Custodian selected by the client. The only exception to this would be the "tradeaway" program available at Schwab, which is described fully in Item 5 above. For utilizing the

“tradeaway” service the Advisor may receive non-monetary benefits such as research, bond selection or fixed income advice, however any transactions effected through this program are done in an effort to benefit the client.

The Custodian holds the assets and provides the trading and custody platform used by the Advisor. Neither the Advisor nor the Representatives have the authority to determine which brokers or Custodians its clients use to hold their assets or the fees charged by the Custodian. However, for reasons of familiarity and efficiency the Advisor tends to recommend a either *Schwab* or *Fidelity* as mentioned above. Factors used to determine which Custodian to recommend include the client’s Custodian prior to coming to Advisor, trading costs, electronic access to trading and client accounts, software and/or discounts on software, products and services, compliance, research and technology, marketing assistance, discounted and/or free admission to conferences, meetings and or educational/social events and other operational support that may benefit the Advisor or Representative, but not the client. This could create a conflict that the recommendation of the Custodian is based on the research and products or services and not based on the Custodian providing the best execution for transactions or platform for client accounts. In all cases the Advisor and Representative must place the interest of the client in front of their own.

It is possible that the Custodian could refer a client to Advisor, although there is no formal plan in place for any such referrals. It is unlikely that the Advisor would allow a client to direct brokerage to a specific broker-dealer. However, if such an arrangement was allowed the Advisor would not be able to ensure best execution or fair commissions for the client. In some cases, the Advisor may aggregate or block trade multiple client accounts. Doing so allows some efficiency in the transactions, although it does not ensure the client will receive a reduction in trading costs or a better execution price than if the trade was enacted separately. It is possible that rebalancing/trading accounts are done so randomly which could result in clients holding different positions and receiving higher or lower prices than other accounts with similar investment objectives. Neither Advisor nor Representatives receive any soft-dollar benefits. It may be possible for the Representatives to buy or sell securities in their personal accounts that were also purchased in the client account. Advisor has a strict policy against using the trade flow of clients to economically benefit the Representatives, employees or the Advisor.

Item 13 • Review of Accounts

All client accounts are reviewed by one of our Representatives, who are required to have a college degree and/or an advanced industry designation. It is the client’s responsibility to advise the Advisor of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Advisor on an annual basis.

The Advisor may conduct account reviews more frequently upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and/or client requests.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the Custodian and/or program sponsor for the client accounts. The Advisor may also provide a written periodic report summarizing account activity, billing and performance. The valuation of the accounts in the reports provided by the Advisor may differ slightly from the amount shown on the statement from the Custodian. This potential difference stems from settlement date versus trade date accounting. It is important for the client to rely on the statement provided by the Custodian for an accurate assessment of the total value of their accounts.

Item 14 • Client Referrals and Other Compensation

As referenced above, the Advisor may receive an indirect economic benefit from the Custodians. The Advisor, without cost (and/or at a discount), may receive support services and/or products from the Custodians. Advisor’s clients do not pay more for investment transactions effected and/or assets maintained at the Custodian as a result of this arrangement. There is no corresponding commitment made by the Advisor to the Custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. The Advisor does not compensate, directly or indirectly, any person, other than its Representatives, for client referrals.

Item 15 • Custody

The Advisor shall have the ability to have its Fee for each client debited by the Custodian on a three-month rolling basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the Custodian and/or program sponsor. As noted above, the Advisor may also provide a written periodic report summarizing account activity, billing and performance, but it is important to rely on the statements from the Custodian for the exact value of client assets. The Custodian does not verify the accuracy of the Advisor's Fee calculation.

Item 16 • Investment Discretion

The client can determine to engage the Advisor to provide investment advisory services on a discretionary basis. Prior to the Advisor assuming discretionary authority over a client's account, the client shall be required to execute an Agreement, naming the Advisor as the client's attorney and agent in fact, granting the Advisor full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Advisor on a discretionary basis may, at anytime, impose restrictions, in writing, on the Advisor's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Advisor's use of margin, etc.).

Item 17 • Voting Client Securities

The Advisor does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their Custodian. Clients may contact the Advisor to discuss any questions they may have with a particular solicitation.

Item 18 • Financial Information

The Advisor does not solicit fees of more than \$1,200, per client, six months or more in advance. The Advisor is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. The Advisor has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Advisor's Chief Compliance Officer, Duane Duim, remains available at (206) 466-6200 to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.