

Item 1 - Cover Page



Azurite Financial
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Part 2A ADV of Form ADV: Firm Brochure

This brochure provides information about the qualifications and business practices of Azurite Financial. If you have any questions about the contents of this brochure, please feel free to contact us at (540)412-2834. 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 Melody Fowler also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Changes and updates made to this brochure are described in Table 1. Our brochure may be requested by contacting Melody A. Fowler, Owner and Chief Compliance Officer at (540) 412-2834.

Additional information about Azurite Financial is available via the SEC's web site, adviserinfo.sec.gov.

Table 1 Brochure Revision History

<u>Revision History</u>	<u>Date</u>	<u>Revision Description</u>
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Item 4 - Advisory Business

Firm and Owner Description

Azurite Financial is an exclusive fee-only holistic financial planning company that specializes in creating customized financial plans. In addition to financial plans Azurite Financial provides financial advice in a variety of individual topics. In 2014 Azurite Financial was established as a Virginia domiciled Limited Liability Company. Azurite Financial is owned and operated by Melody Fowler, who holds a Master's Degree from Iowa State University specializing in Family Financial Planning. Ms. Fowler has been registered in the commonwealth of Virginia as an investment advisor since 2015. Azurite Financial holds itself to fiduciary standards, in that Azurite Financial puts our customer's interest first. We believe a good adviser has a combination of skills to coach, teach, assist, encourage, and to guide our clients through their financial challenges. Azurite Financial main objective is to listen carefully to our clients so that we can better assist them in meeting their goals.

Initial Meeting

The initial meeting is approximately 30-45 minutes and can be conducted either in person or over the phone. The initial meeting provides the prospective client an opportunity to see if the services offered by Azurite Financial will meet their individual needs. During or prior to the initial meeting clients will be receiving a copy of the given Form ADV Part 2 Firm Brochure and Private Policy statement. At this meeting Azurite Financial will disclose of any conflicts of interest. If a prospective client is interested in working with Azurite Financial they will first be required to sign the client Engagement Agreement document.

Initial Process and Financial Planning Services

Before offering any financial advice Azurite Financial will first establish the client relationship. Next Azurite Financial will review and collect a variety of financial documents; examples may include, but are not limited to: W-2s, 1099s, insurance policies, mortgage information, wills and trusts, tax returns, current retirement plan information, other investments statements, rental information, business agreements and other data as needed. The documents are essential throughout the engagement and any changes (windfalls, adoptions, etc.) should be disclosed as soon as possible. In addition to financial information, Azurite Financial will discuss the client's financial goals, financial concerns and risk comfort level. During this time the Risk Survey will be completed. All financial information provided to Azurite Financial is kept confidential; additional information may be found in the Privacy Policy Statement provided during the initial meeting.

After the client's information has been analyzed and a plan developed, then the client will meet with Azurite Financial to discuss the tailored financial plan to help the client meet their financial goals. Throughout the process Azurite Financial is available to meet with the client to make adjustments to the plan or the information provided. Next Azurite Financial will help the client implement the recommendations offered. Finally, Azurite Financial will stay in touch with the client to help assist with any future concerns or problems that may arise.

Type of Services Offered

Azurite Financial provides holistic financial planning advice and educational advice for individuals and small companies. In addition Azurite Financial offers financial workshops and seminars. Azurite Financial offers advice for clients of all walks of life and specializes in Retirement Planning. Azurite Financial is different from other traditional investment advisory firms by offering specific tailored advice for the client without selling financial instruments that may cause a conflict of interest.

Comprehensive Financial Plans

The creation of the Comprehensive Financial Plan is dependent on the client's current financial situation. As discussed earlier, a variety of financial documents will be reviewed. After compiling a financial picture of the client's current financial situation a tailored plan can be developed to help meet the client's financial goals. Advice will include an overall evaluation of the client's financial health and options to improve their financial situation. The development of the Comprehensive Financial Plan will require multiple appointments.

Financial Plan Updates

A Financial Plan Update involves using the previous Comprehensive Financial Plan created by Azurite Financial and updating the information for any change of life situations (i.e. death in the family, birth of child, new job, or job loss, etc.). Advice may involve changes to the whole plan or adjustment to specific sections of the financial plan. The number of appointments will depend on the necessary amount of changes to the previous Comprehensive Financial Plan.

Financial Goal

In setting Financial Goals, Azurite Financial assists the client in setting goals that are in line with the client's current financial situation and risk comfort level. The primary objective of Azurite Financial is to provide advice that assists clients in reaching their

Financial Goals; these goals are revisited throughout the planning process from the initial meeting and throughout the follow up process.

Retirement Planning

Retirement Planning examines the preparation of clients nearing retirement or already in retirement. Common area of concern for clients seeking Retirement Planning advice include when to start taking Social Security benefits, looking at how much the client is investing into an employer provided 401K, and if that rate of saving should be increased. Retirement Planning also examines the client's retirement goals to determine if the client is on track to meet those goals. Advice for clients may include rebalancing their portfolio, re-examining when they retire or how to plan expenditures during retirement on a fixed income.

Education and College Planning

Education Planning examines the cost associated with private education (K-12) and college education. As the costs of private schools and college education have dramatically increased in recent years, clients may be interested in how to budget for the extra costs. College Planning will review the costs associated with schools of interest, scholarship opportunity, 529 plans, Coverdell's, financial aid or loan opportunities available to the student. Advice for the client will be how to come up with alternative strategies, projecting the costs of the time in school and how much they can afford to give to others without jeopardizing their own retirement and other financial goals.

Vacation Planning

Vacation Planning examines the cost of individual, family, or group vacations. Azurite Financial provides clients advice on maximizing their vacations while minimizing the impact to the family budget. Advice may include where to save money for trips, or how to save money when traveling. It may include projecting how much money the trip will cost and budgeting for a trip.

Early Life Stages Planning

Early Life Stages Planning focuses on the myriad financial situations that young families are presented with. Ranging from the cost of having a child do the cost benefit analysis of one parent staying home or returning to work; Early Life Stages Planning provides the young family with the information necessary to help achieve their goals.

Real Estate Planning

Real Estate Planning examines the costs associated with purchasing or selling a home. As buying a home is often the largest single purchase most people will make it is important to ensure that all financial impacts of the home purchase have been considered. Such considerations include; private mortgage insurance, the benefit of paying mortgage points, or would a 15 vs. a 30 year mortgage be more suitable for the client? Our services may include advice on the following situations: when not to use an ARM, is it better for the client's situation to rent or buy, how to pay off a house sooner than the mortgage agreement, (additional concerns may be dealing with underwater homes), and whether to sell or have a rental house(s).

Estate Planning

Estate Planning examines how best to pass along a client's financial legacy to their loved ones. Advice may include a review of a client's current estate plan documents such as wills, trusts, durable power of attorney, and health care power of attorneys. In addition advice may include how to make sure a client's financial legacy, as well as their personnel effects, passes along to loved ones and individuals of their choosing. Azurite Financial does not provide legal advice; clients will need to talk to their own attorney in regards to creating, updating or finishing the estate documents. Azurite Financial can help if requested by a client to participate in these meetings.

Investment Review, Asset Rebalancing Recommendations and Portfolio Review

Azurite Financial may offer advice on the client's current investments, investment in a brokerage firm, an employer provided 401k, Bonds, Bank CDs, EFTs or an index fund or combination thereof. Azurite Financial will look at all the client's assets to see if they meet the client's risk profile, and recommend rebalancing or even leaving the accounts alone. Other investment advice may include how to increase investment savings (a holistic view of the whole financial situation the client is facing). Upon requests Azurite Financial is willing to help clients set up Financial Accounts, review documents or attend meetings with Clients; however Azurite Financial does not manage or have any custodial control of any of our client's finances. Azurite Financial believes strongly in examining the whole portfolio and looking holistically at a client's lifestyle to make recommendations for portfolio adjustments.

Additional Services

Additional Services offered by Azurite Financial include tax planning advice, risk management and mitigation, wealth management advice, car advice (buying vs. leasing),

asset allocation strategies, budgeting, charitable giving, cash management skills, small business development, and other specific financial planning services that are requested by the client or tailored to help a client meet their individual financial concerns.

Wrap Fee Programs and Management of Client Assets

Azurite Financial does not participate in any wrap fee programs. Azurite Financial does not manage client assets or portfolios.

Financial Seminars and Educational Workshops

Financial Seminars and Educational Workshops will be offered to the public or specific groups on general personal financial advice topics (i.e. financial planning, college planning, estate planning, retirement goals and planning). The Financial Seminars and Educational Workshops do not sell or recommend any specific service or product.

Item 5 - Fees and Compensation

First Consultation

There is no charge for the First Consultation.

Financial Plan

The Financial Plan is billed at a flat hourly rate. The hourly rate applies to in-person meetings and time spent conducting the financial analysis and creating the report. A quote for Financial Plans is provided prior to signing the Engagement Letter.

- Hourly rate of \$160

Individual Project Fee

The Individual Projects are billed at a flat hourly rate. The hourly rate applies to in-person meetings and time spent conducting the financial analysis and creating the report. A quote for Individual Projects is provided prior to signing the Engagement Letter. Individual Projects include College Planning, Vacation Planning, Early Life Stages Planning and Real Estate Planning.

- Hourly rate of \$160

Priority Planning Fee

Priority Planning is billed at a flat hourly rate. The hourly rate applies to in-person meetings and time spent conducting the financial analysis and creating the report. A quote for Priority Planning is provided prior to signing the Engagement Letter.

- Hourly rate of \$200

Deposits

Deposits are due for all services upon signing the engagement letter. Clients may cancel the engagement within five (5) business days of signing the Engagement Letter, free of charge. If the Client chooses to cancel the agreement after five (5) business days, the Client will be charged a prorated fee for the cost of Financial Plan. Azurite Financial has the right to waive the deposit of the engagement.

- Deposit is \$450

Financial Seminars and Educational Workshops Fee

Seminars and Educational Workshops are offered to the public to increase financial literacy. Fees are due before the start of the workshop or seminar.

- Half Day Seminar is \$40
- Full Day Seminar is \$80
- Half Day Workshop is \$60
- Full Day Workshop is \$120

Military Discount

A Military Discount of 10%, not to exceed \$500, is available to active and retired members of the armed services and their spouses. To be eligible for the military discount please present one of the following forms of identification: U.S. Uniform Services Identification Card; DDT214 Citation or Commendation; U.S. Uniform Services Retired Identification Card; Current Leave and Earnings Statement (LES); or Veterans Organization Card such as VA, American Legion and VFW.

Fee Only Financial Planning

Azurite Financial is a fee-only financial planning organization. We do not take commissions from the sale of financial instruments. We recognize our clients have different financial goals with varying levels of financial concerns and needs. As such we offer a holistic approach to financial planning. Our hourly pricing allows us to tailor financial plans to meet the scope of the project. Quotations are provided prior to any services so there are no surprise costs. Azurite Financial does not accept funds for

prepaid fees for projects that are further than three months out. Azurite Financial has the right to reduce certain fees based on certain individual/family circumstances.

Azurite Financial is a fee only company. Azurite Financial offers clients options to meet their individual financial needs by offering clients hourly rates, set fees for individual projects and priority planning sessions.

Method of Payment

Fees can be paid by cash, debit, or credit card. Fees are due at time of receipt of invoice unless a prior arrangement is made with Azurite Financial. If clients that are in a long term engagement have fees that are overdue 3 months or more in time since receipt of invoice, they can be sent to monthly arrears. If arrangements are not made this can be cause for Termination of the Planner- Client relationship of future engagements.

Termination of Planning Engagement

The client or Azurite Financial may terminate the planning engagement in writing. All fees and deposits will be returned to the client if the termination is within the first five days of the agreement. Should the client terminate after the five day period a prorated basis will be incurred on the previous fees and deposits paid. Azurite Financial may decline services to prospective clients or terminate current planning engagement clients for non-discriminatory reasons.

Financial Seminars and Educational Workshops Cancellations

Cancellation of a reservation for a Financial Seminar and Educational Workshop within 48 hours of the start time of the Seminar or Workshop will be completely refunded. Any terminations made within 48 hours of the start time of the Seminar or Workshop will not be refunded.

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

Azurite Financial does not charge any performance based fees within an advisory contract. Azurite Financial does not provide management of funds so we do not have any side-by side management.

Item 7 - Types of Clients

Azurite Financial will work with individuals and small businesses. Azurite Financial specializes working with middle income families and upper middle income families. Azurite Financial doesn't have any minimum assets or net worth financial requirements to become our client.

Item 8 – Method of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Azurite Financial's method of analysis is to thoroughly review clients risk tolerance, goals, examine their current portfolio and consider various investment strategies. We spend time reviewing financial magazines, newspapers, online report annual reports, and prospectuses. Our goal is to research the information that can best help our clients.

Investment Strategies

Completing a suitability review on the client so that the specific investment strategy is tailored to the clients needs. Making sure our clients portfolios are diversified and considers their risk tolerance is important. For example a client with low risk tolerance is interested in a safer portfolio that has less risky investments and may include more Bank CDs, money market accounts and bonds. Investment strategies for this client if they are interested in bonds may include the following strategies ladders (the bonds are being purchased at different defined time intervals) risks include possible reinvestment risk, liquidation risk, inflation risk, interest rate risk and others risks, barbells (where the client invest in only short and long term bonds) risks include reinvestment risk, liquidation risk, inflation risk, interest risk, inflation risk, the goal of barbells is maximizing income, or preserving principal and earning interest of their bonds. These investment strategies would have to examine what type of bonds are better suited for each client, along with other financial products that maybe a good fit in their portfolio.

Stock investments require different strategies. The goal is to figure out the worth of a company using strategies like technical analysis or fundamental analysis. Again using the example of a client with a low risk tolerance. Some strategies might involve using investing in the same stock every week a certain number of weeks investing the same amount these risks include legislative risk, credit risk, business risk, another would be

creating a more diversified portfolio by investing in numerous stocks risk with this strategy risks could involve business risk, credit risk, legislative risk. To create an even more diversified portfolio it would be recommended to mitigate risks by adding index or etf funds into a clients portfolio risks of this strategy include systematic risks.

Azurite Financial in general recommends index funds, Government bonds, EFTs, Bank Cds, Municipal Bonds and money market accounts. Risks of these investments include various systematic and unsystematic risks. These recommendations are not a one size fits all and thus have to be tailored to create a better balance for the clients future needs, risk tolerance, financial goals. Azurite Financial advice is based on long term investing through picking appropriate investments for clients lifestyle needs and goals.

Risk of Loss

Azurite Financial does its best to try to mitigate risk by recommending clients diversify their portfolios, and staying within their risk zones. However with any type of investing there is always the chance of risk occurring. Azurite Financial helps clients to make financial decisions however, the investment risks fall on the clients. The clients should consider and be honest when filling out how much risk they feel comfortable being able to lose. Azurite Financial aims to guide our clients to help them make the best decisions but it is important to note that not all Azurite Financial choices and suggestions in investments will be profitable for the client. All investments have a certain level of risk associated with them due to the unpredictability of the market's future direction. Investments are subject to many various risks types some of which are listed below.

- Business Risk is the risk that is related to economic, industry and financial circumstance that can affect the price of a company's securities.
- Call risk is the risk that a callable bond could be redeemed before maturity. If a bond is called by the issuer the bond must be redeemed, this can be so the issuer can issue new bonds at a lower interest rate. This creates a problem for the investor who now has to reinvest the principal sooner than expected at a possibly lower interest rate.
- Credit Risk is the result of debt obligations that are held in an account that has its rating lowered by the rating agencies or goes into default, it may involve legislation that makes it more difficult for the issuer to pay the principal interest due to a decline or reduction in the overall account. This is especially noticeable with high yield bonds that may not be able to pay the principal or interest when due.
- Default Risk is the risk that a bond issuer may default on being able to repay principal and interest in a timely manner.

- Diversification Risk is the concentration of investments in only one or a few industries or sectors which may involve more risk with the possibility of greater volatility of the investments.
- Financial Risk is the excessive borrowing by a company's business operations that puts the company at a financial risk, since the company is required to meet its loan obligations this could lead to bankruptcy or declining market value of the obligations.
- Foreign Investment Risk are securities in foreign issuers which may involve certain adverse risk conditions like currency exchange rates, political instability, taxes, currency exchange, difficulty in selling foreign investments and reduced legal protection.
- Inflation Risk is when inflation is present. An example is a dollar next year will not buy as much as a dollar today, due to the purchasing power being decreased from the higher rate of inflation.
- Interest Rate Risk may occur when interest rate increase causing the value of the account's investment to then decline leading to a decrease in the account's share value. This is a risk usually associated with intermediate or long term obligations like 30 year treasury bonds.
- Investment Risk is the chance that an actual return on an investment may be lower than what the investor had hoped or expected for the investments. All investments have a certain level of risk associated with them due to the unpredictability of the market's future direction.
- Liquidity Risk is created from a lack of demand in the marketplace that causes certain investments to be unable to be sold quickly, or at a less than desired price.
- Market Risk, also known as systematic risk, affects all securities in the same way, it is unable to be diversified away. The value of an account's investment may decrease because of changes in the overall market or the economy, an example is the 2008 US recession.
- Prepayment Risk is when the market interest rate decrease causing some debt obligations to possibly be repaid faster than originally anticipated. This requires the account to reinvest the proceeds of these prepaid obligations at a lower interest rates. The opposite can also happen if interest rate increases that some debt obligation held in the account may be repaid slower than anticipated.
- Principal Risk is losing a certain amount that has been invested due to default or bankruptcy of the company.

Item 9 – Disciplinary Information

Azurite Financial has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10- Other Financial Industry Activities &Affiliations

Azurite Financial may provide referral to clients if requested, however, Azurite Financial and related person do not accept any referral payment, commission, material relations or gifts for referral given or received from municipal security (broker/dealers), government security (broker/dealer), Credit Unions, Banks, Lawyers, Law Firms, Accountants, Account Firms, Tax Advisors, Insurance (company or agents), Investment companies of any type, real estate (agent, dealer, brokers), Limited partnerships, pension consultants, thrift institutionCommodity Exchange (broker/dealers, advisors), other investment advisors or financial planners or any other similar type of companies.

Azurite Financial LCC does not borrow or lend money from any of our clients.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Azurite Financial bases its code of Ethics off of the Certified Financial Planner code of Ethics. A copy of our code of Ethics is available upon client request.

Principle 1 – Integrity: Provide professional services with integrity.

Principle 2 – Objectivity: Provide professional services objectively.

Principle 3 – Competence: Maintain the knowledge and skill necessary to provide professional services competently.

Principle 4 – Fairness: Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

Principle 5 – Confidentiality: Protect the confidentiality of all client information.

Principle 6 – Professionalism: Act in a manner that demonstrates exemplary professional conduct.

Principle 7 – Diligence: Provide professional services diligently.

Item 12 – Brokerage Recommendation Practices

The client is free to choose the best brokerage firm for their needs. Azurite financial works as a fiduciary and is always looking out for our clients best interest first. Azurite financial does not receive any commission, soft dollars, compensation, research or any other favors from our recommendations. Azurite Financial doesn't manage client accounts, but just makes recommendations for our clients to help them. Azurite financial believes accepting gifts, soft dollars, training, software is not in our clients best interest.

Item 13 – Review of Accounts

Azurite Financial does not manage clients accounts. If the client is on a retainer fee plan, Azurite Financial will review the accounts on a semi-monthly basis or more often dependent on clients needs. Whenever a client has a major life change they are encouraged to contact our office to update their financial information and to help make changes to their existing plan. Other triggers for Azurite Financial getting in touch with our clients may include a change in the economy, financial markets, political issues, fiscal downturns, inflation or industry changes, and other similar situations.

Item 14 – Client Referrals and Other Compensation

Azurite Financial does not receive compensation from client referrals, and does not accept compensation when referring clients. Azurite Financial is in the business of providing honest advice and if a situation arises the client will be notified immediately and the policy in this brochure will be updated promptly.

Item 15 – Custody

Azurite Financial is here for our clients to help them to make wise decision, however we do not take custody of any of our clients accounts.

Item 16 – Investment Discretion

Azurite Financial believes firmly in letting clients handle their own money and will not invest for clients but only advice and help clients to make informed decisions on their investments. Therefore we do not have discretionary authority to manage securities accounts for our clients.

Item 17 – Voting Client Securities

Azurite Financial does not vote client securities. Clients will receive their proxies or other solicitations directly from their custodians or transfer agents. Clients are able to contact me through the phone or email with questions about a particular solicitation, an individual project plan can be set up in a meeting to discuss in detail questions a client may have regarding the solicitation.

Item 18 – Financial Information

Balance Sheet

Azurite Financial does not collect finances for 6 months or more in advance. Therefore, a balance sheet is not required.

Discretionary Authority

Azurite Financial does not have custodial or descreation authority of clients funds or securities.

Bankruptcy Pettition in the Last 10 Years

Azurite Financial has never had a bankruptcy petition.

Item 19 – Requirements for State - Registered Advisors

Business Actively Engaged in Outside of Azurite Financial

Another business the owner of Azurite Financial is actively engaged in is a rental house. A great management company manages it, but the owner of Azurite Financial does have to spend 0-8 hours on average per month on issues relating to the rental house.

Azurite Financial Principal Executive Officers/Management

The Principal Executive of Azurite Financial is the owner of the company Melody Fowler.