



**Brightworth, LLC**  
**Part 2A of Form ADV**  
**The Brochure**

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Updated: July 31, 2017

This brochure provides information about the qualifications and business practices of Brightworth, LLC ("Brightworth"), which also does business under the name McGill Advisors, a division of Brightworth, LLC ("McGill Advisors Division"). The McGill Advisors Division's services and fees are described in a separate Brochure, which is available upon request.

If you have any questions about the contents of this brochure, please contact us at 404-760-9000. 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 Brightworth is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

Registered Investment Advisers are required to use this format for our Form ADV Part 2 to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last "annual update" filing. In the event of any material changes, a Summary will be provided to all clients within 120 days of our fiscal year-end. Brightworth, LLC's last annual update was filed on March 27, 2017.

As of July 1, 2017, Brightworth, LLC acquired McGill Advisors, Inc. which became a division of Brightworth (the "McGill Advisors Division"). Brightworth continues to be headquartered in Atlanta, Georgia, and the McGill Advisors Division will continue to operate from its office in Charlotte, North Carolina. After the merger, Brightworth will have 17 partners, including four from McGill Advisors and two new Brightworth partners. No single partner owns more than 25% of Brightworth. Brightworth and the McGill Advisors Division will have a single Management Committee and a single Investment Committee.

Management Committee Members include: Raymond Padron, David Polstra, Sherry Hodor, Donald Wilson, Annika Cushnie, Robert Sytz, and Brett Miller.

Investment Committee Members include: Donald Wilson, Raymond Padron, Alan Gotthardt, Michael DeWitt, and Jeffrey Harrell.

Chris Dardaman has resigned from the Investment Committee as of June 30, 2017. John McGill is no longer an officer, partner or Committee member of Brightworth or the McGill Advisors Division.

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## **Item 4 - Advisory Business**

Brightworth is a fee-only financial firm that provides investment management services and wealth counsel to high net worth individuals, families, trusts, estates, charitable organizations, small business owners, pension plans and profit sharing plans. Brightworth, LLC was founded in 1997 as Polstra & Dardaman, LLC. Brightworth currently has 17 partners with the addition of the McGill Advisors Division.

Brightworth also does business under the name McGill Advisors, a division of Brightworth, LLC with an office located in Charlotte, North Carolina. There is a separate Brochure for the McGill Advisors Division's fees and services.

Brightworth provides its clients with investment management services through which clients receive portfolios of carefully selected investments. We build our clients' investment portfolios based on (among other things) their cash flow situation, tax considerations, tolerance for risk, and time horizon. Depending upon the size and goals of each client's portfolio, we may invest client assets in separate stock and bond accounts, mutual funds, exchange traded funds (ETFs), and private investment strategies (including hedge funds, private equity and real estate). In limited circumstances, clients may request that Brightworth use managers that place limited restrictions on investing in certain securities or types of securities (such as securities whose primary revenue comes from the manufacturing of alcohol or tobacco products).

Brightworth clients may also request wealth planning advice, which addresses some or many aspects of the client's financial situation. Brightworth works with clients to determine their financial goals and objectives and develops planning strategies for the client to most effectively utilize their financial resources to achieve short and long-term financial objectives. Brightworth gathers client information through several means, which may include a data gathering form and personal interviews. Information we analyze includes items such as a client's current financial status, financial goals, tax bracket and attitudes towards risk. Brightworth then reviews related documents supplied by the client and prepares a written wealth plan (Brightworth Wealth Plan).

The Brightworth Wealth Plan documents the client's financial data, goals and objectives. The wealth plan may include, but is not limited to the following areas: identification of financial goals and objectives; current net worth statement; cash flow projections; risk management analysis; education funding analysis; business planning; tax planning; estate planning and federal estate tax analysis; charitable planning; and investment planning and asset allocation analysis.

Brightworth does not provide tax compliance advice for our clients. Clients should consult with their accountant or other tax adviser regarding tax filings and/or estimated payments. Additionally, Brightworth does not provide legal advice or prepare legal documents. However, we work closely with our clients' estate planning attorneys and other advisors as necessary to assist in the implementation of their Wealth Plan. Brightworth may perform risk management analyses for our clients but does not provide specific analysis of existing property/casualty, medical, life, disability or long-term care insurance policies. At the request of the client, we can introduce them to a specialist in these areas.

### Amount of Managed Assets

As of 5/31/2017, the total discretionary assets under management of Brightworth, including the McGill Advisors Division, was over \$3.028 billion on behalf of approximately 1,250 clients. Together we serve clients in 48 states.

### **Item 5 -Fees and Compensation**

Brightworth provides investment advisory services on a discretionary basis. Annual asset management fees are based on the standard schedule below:

0.30%	per annum for amounts greater than \$10,000,000
0.50%	per annum for amounts greater than \$5,000,000 up to \$10,000,000
0.75%	per annum for amounts greater than \$2,500,000 up to \$5,000,000
1.00%	per annum for the first \$2,500,000

In limited circumstances, fees charged may be negotiable. Brightworth may from time to time adjust fees charged for accounts, depending on the size and type of account and the services required. In some cases, Brightworth may agree to offer clients a fee schedule that is lower than that of other comparable clients in the same investment style or there may be historical fee schedules with longstanding clients that differ from those applicable to new client relationships. For instance, Brightworth charges fees that are lower than the current fee schedule for clients who joined Brightworth when a previous fee schedule was in place. In addition, some accounts may have fee schedules that are higher than our standard fee schedule. The exact services and fees will be agreed upon and disclosed in the individual client agreement prior to services being provided.

In general, for individuals who become Brightworth clients on or after June 6, 2016, Brightworth charges fees quarterly in advance based on the account value on the last business day of the preceding quarter. For individuals who became clients prior to June 6, 2016, fees are charged in arrears.

Clients typically authorize Brightworth to deduct fees automatically from their investment accounts. Brightworth makes fee adjustments up or down for material deposits and withdrawals (amounts of \$10,000 or greater) that a client makes within a calendar quarter, prorated based upon the number of days.

Brightworth's investment management fees are separate from the external or internal fees and expenses that separate account money managers, mutual funds, exchange traded funds, custodians, private partnerships, etc., charge to clients. Clients also may incur custodial fees and transaction costs to purchase and/or hold stocks, bonds, mutual funds, exchange traded funds, partnership interests or other securities. (Please review the information below under Brokerage Practices and visit the custodians' websites for current pricing.) A complete explanation of expenses charged by each separate account manager, mutual fund, exchange traded fund, or partnership is contained in the appropriate marketing materials, form ADV, mutual fund prospectus, private placement memorandum and/or other documents.

Brightworth's minimum annual investment management fee is typically \$10,000 (1% \* \$1,000,000). Brightworth may waive or reduce this minimum at the discretion of the firm's Managing Partner.

Fees for an initial Wealth Plan will vary based on the scope and complexity of the financial analyses to be completed. Brightworth does not require a prepayment of fees six or more months in advance.

When a financial planning service engagement is terminated (by either the client or Brightworth) prior to the end of the agreement, the client will pay Brightworth's fee for the time spent on the client's plan at Brightworth's current rates. Clients may terminate any agreement without penalty within five business days after entering into any agreement. Wealth Planning and Investment Management services may be terminated without penalty at any time by written notice of either party. If investment management services for which fees are paid in advance are terminated before the end of the quarter for which fees have been paid, we shall refund the pro-rated balance of any unearned portion of the fee. The pro rata refund will equal the total number of calendar days remaining in the billing period after the date of the effective date of termination to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after receipt of termination notice.

On an exception basis, clients may also request to receive services on an hourly basis, in cases in which Brightworth provides advice on a specific issue or issues requested by the client. The fee for this service is normally \$250 - \$500 per hour for the wealth advisor's time and \$100 - \$200 per hour for financial planner and assistant's time. This fee is negotiable when billing hourly.

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

Brightworth does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Brightworth has no performance-based fee accounts, Side-by-Side Management is not applicable to Brightworth's investment and business practices.

## **Item 7 - Types of Clients**

Brightworth primarily provides investment management services to high net worth individuals, families, trusts, estates, charitable organizations, small businesses, pension plans and profit sharing plans. Brightworth's standard minimum account size is \$1,000,000, but the average size of client relationships is typically much larger. Brightworth will sometimes work with clients who do not meet the current investment minimum, when Brightworth expects the client to accumulate more assets to invest over time.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Brightworth's Investment Committee and investment analysts research and conduct due diligence on third party money managers that Brightworth recommends for client accounts. Brightworth uses independent money managers who specialize in the different components of our clients' portfolios. Brightworth evaluates, selects, and monitors these managers using a combination of quantitative and qualitative methods. Brightworth generally uses multiple managers in each client account to allow for focused expertise in each asset class or sector (such as small cap U.S. stocks or inflation-protected bonds).

Don Wilson, Brightworth's Chief Investment Officer, leads our Investment Committee, which also includes Jeff Harrell, Director of Portfolio Management and Wealth Advisor; Ray Padrón, Managing Partner and Wealth Advisor; Mike DeWitt, Wealth Advisor and Alan Gotthardt, Consultant. The Investment Committee is assisted by the firm's investment analysts, financial planners and Wealth Advisors. The Investment Committee generally meets monthly (or more often) to discuss existing and prospective investments. The Investment Committee evaluates investments independently, as well as in the context of our overall portfolio strategy.

Some factors Brightworth may consider when reviewing a third party money manager include:

- The experience, education, and background of the key people involved in the investment process
- The investment style and process of the manager
- Length of time the investment strategy has been in existence, the tenure of the current manager(s)
- Past performance, relative to other investments having similar investment objectives and relative to appropriate benchmarks (if available and applicable)
- Costs relative to other investment strategies with similar objectives and investment styles
- Total assets of the proposed investment strategy

### **Investment Strategies**

Brightworth uses asset allocation strategies to create the investment portfolios for clients. The following broad asset classes are the major components of our client portfolios: stocks, bonds, and alternative & real assets. The stock portion invests globally in both U.S. and internationally based companies. The bond portion is broadly diversified across the fixed income markets and will normally maintain an intermediate maturity. The alternative & real assets portion of the portfolio may include a variety of non-traditional asset classes and strategies including, but not limited to: flexible asset allocation, long-short equity, market neutral, hedged equity, inflation hedged, real estate, hedge funds, commodities, oil and gas, timber, master-limited partnerships, and managed futures.

Depending on each client's situation, Brightworth may use different types of investment vehicles to implement a client's portfolio including but not limited to mutual funds, exchange traded funds, separate stock and bond accounts, limited partnerships, as well as hedge funds and private investments. Brightworth manages portfolios on an enterprise level to provide our current thinking across our clients and to create consistency in returns for clients with similar objectives. In general, Brightworth invests each client's portfolio in a Brightworth model portfolio and may further customize the client's investments based on the specific goals and objectives for each account (based on factors including the size of the account, the net worth of the client, risk tolerance of the client, the specific goals and objectives of the client, legacy positions with taxable gains, as well as any restrictions the client may place on the account).

Brightworth clients sign an Investment Policy Statement (IPS) for each account (or group of accounts with the same objective) that Brightworth manages. This IPS normally lays out the client's goals and objectives for the account(s) including risk tolerance, asset allocation targets and ranges, and restrictions placed on the account, if applicable.

### **Risk of Loss**

Brightworth primarily invests for time horizons of more than one year. However, market developments could cause Brightworth to sell investments more quickly. Investing involves a wide variety of risks that all clients should be able and prepared to bear including: loss of principal risk, interest-rate risk, market risk, inflation risk, currency risk, business risk, liquidity risk, financial risk and other types of risk.

## **Item 9 - Disciplinary Information**

Neither Brightworth nor its Partners and Staff have been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Neither Brightworth nor its Partners and Staff have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Alan Gotthardt (former Partner at Brightworth who worked with the firm for many years) serves as a consultant to and member of the Brightworth Investment Committee. Mr. Gotthardt runs a separate private investment company that is not affiliated with Brightworth. To eliminate any potential conflicts of interests, Brightworth does not solicit investments of client assets in the private partnerships managed by Mr. Gotthardt.

Brightworth through the McGill Advisors Division has an informal cross-referral arrangement with the McGill & Hill Group. The McGill & Hill Group is made up of the following firms: Roger K. Hill & Co., Dental Practice Transitions & Brokerage; McGill & Hassan, PA, a law firm; Elliott, Davis, Decosimo, PLLC, an accounting firm; PenSys, Inc. a third party administrator for retirement plans; and John K. McGill & Company ("JKMC"), Tax and Business Planning for Dentists. There is no direct or indirect compensation paid for referrals between these companies, other than a referral arrangement with JKMC. See Item 14 of this document for information on the referral arrangement with JKMC.

Brightworth, including the McGill Advisors Division, will refer clients to members of the McGill & Hill Group when it believes it is in the best interest of the client.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Brightworth has adopted a written code of ethics that is applicable to all Partners and Staff. Among other things, the code requires Brightworth and its Partners and Staff to act in clients' best interests, abide by all applicable regulations, and avoid even the appearance of insider trading.

Brightworth has policies and procedures designed to address our duty as a fiduciary to our clients. This means that we abide by the duty to place client interests ahead of our own individual interests. We take this duty seriously and provide full and fair disclosure of relevant facts and conflicts of interest when applicable. We also have a duty of loyalty and good faith to our clients. Partners and Staff are also expected to act in accordance with the firm's values of: *Integrity, Excellence, Service and Teamwork*.

Brightworth reviews personal securities trading which applies to Partners and Staff, as well as Partners and Staff's family members living in the same household. As part of our Code of Ethics, all Partners and Staff must also abide by rules relating to their Personal Securities investments. These rules include: (1) annually providing the firm with a list of all personal accounts and reportable securities in which they have a beneficial ownership, (2) quarterly reporting all reportable securities transactions, and (3) pre-clearing certain personal securities transactions.

The Chief Compliance Officer monitors Partners and Staff trading, relative to client trading, to ensure that Partners and Staff do not engage in improper transactions or gain any benefit over the firm's clients.

A copy of Brightworth's Code of Ethics is available upon request.

## **Item 12 - Brokerage Practices**

Brightworth believes that, as an industry best practice of separation of duties, the custody of client assets should be separated from the management of client assets. Brightworth generally recommends that clients hold their investment accounts with one or more of the following unaffiliated custodians: Charles Schwab, Fidelity Investments or TD Ameritrade. Brightworth will recommend which custodian(s) to use based on custodian transaction costs, as well as the best mix of quality, timeliness of execution and administrative service support. Clients normally will pay transaction fees to the custodian. The Wealth Advisors at Brightworth are not registered representatives of these custodial/brokerage firms. Neither Brightworth nor its Wealth Advisors receive any commissions or fees for using or recommending these custodians.

### Soft Dollar Benefits

Brightworth does not have soft dollar arrangements with any brokerage firms based on volumes of transactions.



### Other Benefits

Brightworth does receive certain products and services from Charles Schwab, Fidelity Investments and TD Ameritrade (Recommended Custodians) free of charge or at discounted rates including:

- Duplicate client confirmations, statements, and other account information;
- Direct advisory fee debiting capabilities;
- Access to on-line investment research;
- Discount pricing on Educational Conferences;
- Access to consulting services, publications and presentations on various investment, financial planning and practice management topics

Brightworth has an incentive to use Recommended Custodians because their services enable us to more efficiently serve clients. Brightworth does not believe that clients whose accounts are held by Recommended Custodians incur any additional costs in connection with Brightworth's receipt of the products and services described above. There is no affiliation or fee sharing arrangement between Brightworth and the Recommended Custodians. However, Brightworth would not receive the operational and economic benefits described above if Brightworth did not have an established relationship with these companies. These benefits do not depend on the amount of transactions directed by Brightworth to the Recommended Custodians.

### Trading & Best Execution Reviews

Brightworth generally trades stocks, mutual funds, and ETFs through the client's account custodian. Although Brightworth does not typically trade individual bonds for our client accounts, when we do, we normally solicit multiple bids and consider items such as sufficient liquidity, favorable pricing and operational efficiency.

In general, on an annual basis, Brightworth's Investment Operations Department reviews and evaluates the pricing and services offered by Charles Schwab, Fidelity Investments and TD Ameritrade.

Brightworth does not normally aggregate trades for client accounts when trading mutual funds as this is not possible, but may do so when trading ETFs. Brightworth's trading process generally involves systematically placing trades in each client account individually. This allows us to review the accounts for things like restrictions, tax impact, upcoming withdrawals or future additions to the account. It also enables Brightworth to try to minimize taxes and reduce or eliminate short-term redemption fees and wash sales in client accounts.

### **Item 13 - Review of Accounts**

On an ongoing basis, members of Brightworth's Investment Operations Team monitor the investment accounts that Brightworth manages. Brightworth's Investment Operations Team also regularly reviews a number of other reports that are designed to identify accounts that are outside the expected ranges for asset classes, subclasses, or returns.

The Investment Operations Team reviews client accounts at least quarterly and normally monthly. Other factors triggering a review of client accounts would include changes in the client's financial needs or circumstances based on the client's particular objectives as well as deposits and withdrawals into the account.

Clients receive account statements directly from their chosen custodian normally on a monthly basis, or at least on a quarterly basis. These statements may be received as paper copies in the mail or can be set up to be viewed electronically.

Brightworth also typically provides clients with performance reports during client meetings or as requested.

### **Item 14 - Client Referrals and Other Compensation**

Brightworth has a policy that allows its employees to be eligible to receive additional compensation for referring new clients to the firm. The compensation is a cash payment calculated as a percentage of the fees generated by the assets under management referred to Brightworth. This policy could potentially create a conflict of interest in that an employee may be motivated to refer potential clients to the firm to earn compensation. Brightworth addresses this potential conflict by having the Brightworth Wealth Advisor who will manage the new client relationship, review the prospective client's situation to determine if the potential client is a good fit for Brightworth's services. Brightworth is not obligated to accept as a client any prospective client referred by any Partner or Staff.

Brightworth also has a relationship with a few Consultants who may refer prospective clients to the firm. In some cases, these Consultants may also be clients of Brightworth. The Consultant's compensation may consist of a bonus based on net assets added for each client referred by the Consultant to the firm. Consultants' specific compensation is detailed in the Solicitor Disclosure Statement, which the Consultant shall provide to prospective clients prior to the start of their relationship with Brightworth.

Specifically John K. McGill & Company (JKMC) has entered into a Consulting Agreement to which JKMC may solicit potential clients for Brightworth's investment advisory business. JKMC will receive compensation of up to 25% of the annual fees paid by the client to Brightworth for additional assets added.

These Client Referral arrangements do not increase or in any way affect the fees clients pay to Brightworth, including the McGill Advisors Division. We are not obligated to accept as a client any prospective client referred by a Consultant. Consultants do not have access from the firm to client or prospective client's financial and/or personal data, unless the client chooses to disclose personal information directly to them.

## **Item 15 - Custody**

All clients' accounts are held in custody by unaffiliated broker/dealers (typically Charles Schwab, Fidelity Investments and TD Ameritrade). Brightworth can access clients' accounts through its ability to debit advisory fees and is considered to have custody solely for that reason. Clients will receive account statements directly from the custodian normally on a monthly basis and at least on a quarterly basis. Clients can review these statements in addition to any account information provided by Brightworth. Clients may access their accounts on-line at any time through the custodian's website.

## **Item 16 - Investment Discretion**

Brightworth has investment discretion over all clients' discretionary accounts. Clients grant Brightworth trading discretion through the execution of a limited power of attorney included as part of Brightworth's investment management contract. Brightworth does not have investment discretion over non-discretionary accounts, which Brightworth does not manage.

Brightworth clients sign an Investment Policy Statement (IPS) for each account (or group of accounts with the same objective) managed by Brightworth. This IPS lays out the client's goals and objectives for the account including risk tolerance, asset allocation targets and ranges, and restrictions placed on the account, if applicable.

## **Item 17 - Voting Client Securities**

Brightworth does not vote proxies for securities held in Client investment accounts. Clients will receive proxies directly from their custodian, the fund company transfer agent (in the case of a mutual fund) or by a third party vendor hired by the fund company or custodian.

The McGill Advisors Division may vote proxies for some clients as indicated in their investment management agreements. However, certain clients of the McGill Advisors Division have expressly retained proxy-voting authority for their accounts. In these instances, McGill Advisors Division has no proxy voting responsibility and may not take any action regarding those clients' proxies. However, Wealth Advisors may consult with these clients regarding any particular proxy received, as requested.

Brightworth, for the McGill Advisors Division, maintains relevant and appropriate proxy records as part of the firm's Proxy Voting Policy & Procedures. This information is available to clients upon written request. To receive this information, please send a written request to the Atlanta address listed on the cover page to this brochure or by calling us at (404) 760-9000.

## **Item 18 - Financial Information**

Brightworth does not require prepayment of fees more than six months in advance. Brightworth has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

*Thank you for taking the time to read this information. For additional information about Brightworth or the McGill Advisors Division, please visit our websites at:*

[www.mcgilladvisors.com](http://www.mcgilladvisors.com)  
[www.brightworth.com](http://www.brightworth.com)