



# **LDIntelligence**

Intelligible Innovative Investing

## **LDIntelligence LLC**

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Scottsdale, AZ 85254  
480.300.4900

March 26, 2019

Part 2A Brochure

This brochure provides information about the qualifications and business practices of LDIntelligence LLC ("LDIntelligence"). If you have any questions about the contents of this brochure, please contact us at (480) 300-4900. 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. LDIntelligence is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about LDIntelligence LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for LDIntelligence LLC is 288253.

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## ITEM 2 – MATERIAL CHANGES

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### **Summary of Material Changes**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following changes have been made since our initial filing on February 1, 2018:

- Our Firm is moving from registered with the U.S. Securities & Exchange Commission (SEC) to registration with the State of Arizona.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Steve McCoy at 480.300.4900 .

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

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This Disclosure document is being offered to you by LDIntelligence LLC (“LDIntelligence” or “Firm”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client. LDIntelligence is the majority member of LDI-MAP, LLC (LDI-MAP). Fiduciary Benchmarks Insights, LLC and iJoin Solutions, LLC owns the remaining interest in LDI-MAP. For the investment advisory services disclosed in this Brochure, LDIntelligence and LDI-MAP provide those by using the iJoin technology platform.

We are an investment management services firm located in Scottsdale, Arizona. The firm and related entities were established by its founder James A. Pupillo in 2017. LDIntelligence is a Manager managed LLC. The following are Managers: Jim Pupillo, Jeffrey Perry, Peter Storts, Aaron Brasfield, Steve McCoy, Tom Kmak, David Brasfield, Darren Evans, Frank Gesuale and SBR Skies, LLC.

### **iJoin**

LDI-MAP (also marketed as iJoin) is a technology platform providing other retirement plan advisors, recordkeepers, administrators, employers and employees a paperless enrollment experience. Further, the platform provides participant education, plan analytics and a managed account program for participants in a retirement plan, if the clients choose to engage the different services.

Our Firm assists the Plan Sponsor (“Sponsor”) in meeting their requirements in offering Qualified Default Investment Alternatives (as defined in ERISA, section 404((c)(5) and referred to herein as “QDIA’s”) in their Retirement Plan offering.

When engaged in our iJoin services, and specifically with the managed account program (described below under *Subadvisor services to Collective Investment Trusts*), a series of targeted-return Model portfolios (“Models”) are offered to Participants of the Plan. On a periodic basis, LDI will reallocate and rebalance the Models in accordance with the LDIndex™ Investment Policy Statement adopted by the Sponsor. Refer to Item 8 – Investment Strategies and Philosophies for more information on investment strategy.

Our Firm will also collect information from Plan Participants solely through the iJoin platform to support the managed account program licensed by the Sponsor (the “Program”). Where the Participant has not affirmatively enrolled in the Plan and elected to participate in the Program, the information will be limited to that provided by the Sponsor to enable our Firm to select an appropriate QDIA for the participant. Where the participant does affirmatively enroll in the plan and elects to participate in the Program, the information provided by the participant and the Sponsor via the Program will be used to identify the participant’s investment objectives, risk tolerance, time horizon, etc. Our

Firm will also provide data to the Program for the preparation of a periodic Personal Retirement Picture report for each participant. The participant retains sole discretion over the investment of their account if they choose to opt out of the Program.

Our Firm agrees to perform the advisory services as a fiduciary under ERISA, as applicable, and will act solely in the interest of the Plan's Participants (and beneficiaries) in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

When a Participant is engaged on the iJoin platform, in the Program, and with our Firm's investment advisory services, our Firm will exercise discretionary authority over the Models. With respect the advisory services provided to a Plan covered by Title I of ERISA, Section 402(c)(3) of ERISA allows the Sponsor to delegate responsibility for selecting, monitoring and replacing plan assets to an "investment manager" that meets the requirements of Section 3(38) of ERISA.

All Services will be provided through the Program using algorithms built into the Program. All participant communications will take place using the Program on an interactive website or mobile application.

#### Sub-Advisor Services to Collective Investment Trust Funds

Our Firm is a sub-advisor to certain model management platforms and Collective Investment Trust funds (CITs). The LDIntelligence Funds (each a "Fund," and together the "Funds") are collective investment funds or managed models maintained by Alta Trust or Mid-Atlantic Capital Group that are designed to serve the investment needs of tax-qualified employer sponsored retirement plans. Collective Investment Trusts are bank maintained trusts and are not registered with the Securities and Exchange Commission. Like mutual funds, CITs allow investors efficient access to an investment strategy, offer daily valuation and are easily traded through the National Securities Clearing Corporation (NSCC). Relative to mutual funds, CITs offer a transparent institutional fee structure and more flexible record keeper pass-through arrangements. Information concerning these funds and investments, including a description of the services to be provided and advisory fees payable to us would be contained in each fund's prospectus or investment offering documents. The Funds are not mutual funds registered under the Investment Company Act of 1940, as amended, or other applicable law, and unit holders are not entitled to the protections of the 1940 Act. The regulations applicable to a collective investment fund are different from those applicable to a mutual fund. The Fund's units are not securities registered under the Securities Act of 1933, as amended or applicable securities laws of any state or other jurisdiction. In addition, the Fund's units are not publicly traded on any exchange or over-the-counter market and, as a result, the unit values are not available for publication in the newspapers.

The CITs and managed models are provided to various Plan Sponsor clients through our managed account Program in our 3(38) discretionary investment advisory services managing risk based asset allocation models made available to our Plan Sponsor clients 401(k) Plans.

#### Wrap Fee Programs

We do not have a wrap fee program.

#### Assets

As of December 31, 2018, we have \$0 assets under our management.

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### ITEM 5 - FEES AND COMPENSATION

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LDIntelligence bills Plans or Plan Participants a flat monthly platform subscription fee for its iJoin services. Annual platform fees range from \$5.00 to \$15.00 per participant.

If clients of iJoin services choose to engage in the managed account Program or select the use of the managed models or Collective Trust Investments, a separate agreement is executed disclosing the sub-advisory fees as disclosed below in Sub-Advisory Fees for Collective Trust Investments.

Either the Firm or you may terminate the management agreement immediately upon written notice to the other party. The subscription fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given.

#### Sub-Advisory Fees for Managed Models or Collective Trust Investments

For its services as managed model or CIT sub advisor, LDIntelligence receives a management fee on a monthly basis. The monthly management fee, in arrears, is based upon the value of managed account assets in the Program. Annual advisory fees range from 0.10% to 0.20%. Fees are calculated and invoices are generated on a monthly basis. Since clients pay management fees in arrears, no client prepays any management fees that would need to be refunded in the event of the termination of a managed account Program during a month. Management fees for managed accounts are negotiable, and some Clients may pay more or less than other depending upon a variety of factors including, but not limited to, the size of the account, the range of services provided to the Client and the total amount of assets managed for the Client. In addition to management fees, managed account Program clients are charged other costs associated with managing the account, including brokerage commissions and custody fees.

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#### ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side by side management.

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#### ITEM 7 - TYPES OF CLIENTS

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We provide our investment advisory services to Employer Sponsored Retirement Plans and other independent Registered Investment Advisers, Third Party Administrators and Recordkeepers. Our minimum initial account value is \$0.

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#### ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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##### Investment Philosophy

##### *Asset/Liability Approach*

Liability Derived Intelligence™ portfolio construction begins with identifying the Investor's Liability Derived index- LDIndex™ calculation. The LDIndex™ links the Investor's assets to their growth and cash flow liabilities for meeting current and future financial goals.

We believe these Advanced Portfolio Theory attributes and the LDIntelligence™ methodology provide better procedures for constructing Investor-tailored portfolios. LDIntelligence™ defines an Investor's income, inflation protection, growth, and liquidity needs while also monitoring portfolio risk exposures. The LDIndex™ is also an event driven discipline, subject to capital markets and/or Investor circumstantial change(s). These event-driven investing considerations are designed to help avoid emotional hazards of market timing and other potentially destructive investment decisions. Lastly, this process is monitored and periodically rebalanced for periodic and episodic changes that occur on both sides of the Investor's balance sheet and tactically adjusted for the dynamically changing economic and capital markets environment.

##### *Balancing the Investor's Balance Sheet*

We utilize a proprietary calculation methodology to quantify and forecast both sides of their balance sheet. First, consideration is given to understanding the Investor's liabilities (ie. expenses); the financial goal. Next, we inventory the Investor's assets to determine how the assets should best be structured to obtain this financial goal with the least amount of risk.

These two balance sheet considerations identify the "targeted return" (actuarial assumption), as the necessary reference point for achieving the financial goal. This necessary targeted return is what we refer to as the Investor's Liability Derived index –

LDIndex™. This asset/liability modeling approach provides the architectural design for structuring the Investor's most suitable portfolio with aim on the targeted return needed to achieve the financial goal.

#### *Strategic Asset Allocation*

Our LDIntelligence™ portfolio construction methodology is designed around your LDIndex™. LDIntelligence™ uses a "Conditioned Value at Risk" – "CVaR" framework within an Upside Potential/Downside Risk optimizer for our strategic asset allocation modeling. LDIntelligence™ is derived from the work of multiple Nobel Prize Laureates (Markowitz, Sharpe, Miller, Scholes, Merton, Kahneman, Fama) and other globally renowned Academics and Practitioners. The LDIntelligence™ process offers a way to manage downside risk, versus a Mean Variance Optimization (MVO) framework, prevalent as today's industry standard.

#### *Tactical Asset Allocation*

We utilize a top down approach as a tactical overlay driven by economic/investment trends. This overlay influences the tactical asset allocation tilts for all five LDIntelligence model portfolios. We adopt a defensive, neutral or optimistic sentiment relative to the economic and capital markets environment. Furthermore, we implement an equity hedge, fixed income hedge and other global liquid alternative investments, 'low to zero' leverage, to buffer portfolio volatility and downside risks.

#### *CORE/Satellite Structure*

LDIntelligence portfolio construction is a "Core/Satellite" structure consisting of an optimal blend of non-proprietary and sophisticated Factor-Derived and Style-Derived Active and Passive (index) investment vehicles. Investment selection is done via a "truth-in-labeling" style-pure analysis involving complex quantitative screening procedures. We also consider qualitative criteria such as an investment management firm's People, Philosophy, Process and Performance criteria.

The LDIntelligence Core/Satellite structure is designed to obtain effective and cost efficient portfolio solutions, and structured as follows:

CORE: Factor-Derived Active investments

SATELLITE: Style-Derived Active, Passive (index), alternative investments are optimally blended around the Core

#### *Factor-Derived Active Return Sources*

At the core of our portfolio construction are enhanced, multi-dimensional or factor engineered investment vehicles. These core investments are designed to optimize risk adjusted returns in a low cost, tax efficient manner.



### *Style-Derived Active and Pure Style Significance*

LDIntelligence™, through the use of a patented style analysis, accepts the empirical evidence that most Style-Derived Active managers are not 100% style pure as industry labeled. This style deviation is for various valid reasons in managers' attempt to outperform their style benchmarks. However, their portfolio's actual underlying style blends should be identified for more accurate portfolio analysis (i.e. alpha, beta) and accounted for when implementing their active management into the Investor's recommended asset allocation construct. To address this issue, LDIntelligence™ integrates "style pure" indices, which we convinced, Research "Affiliates (RAFI®) to create, for the following reasons:

- Enhanced asset allocation optimization using mutually exclusive and exhaustive fundamental-weighted style pure indices
- More accurate active manager skill evaluation to better identify active managers' added value (alpha)
- Greater assurance of intended asset allocation adherence when blending Style-Derived Active managers into the investment implementation

### *Passive Indexing*

We integrate Passive (index) investments to budget active Fundamental-Weighted (smart beta) investment vehicles but tactically integrate capitalized-weighted Passive (index) investment vehicles as well. We believe these advanced portfolio construction methodologies create better-built portfolios with greater integrity relative to the investor's LDIndex™ targeted return objective, as well as a greater chance of better financial outcomes toward achieving each investors' financial goal.

### Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, LDIntelligence is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

*Market Risk* — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

*Foreign Securities and Currency Risk* — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

*Capitalization Risk* — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

*Interest Rate Risk* — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

*Non-U.S. Securities Risk* — Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.

*Emerging Markets Risk* — To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

*Credit Risk* — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

*Securities Lending Risk* — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

*Derivative Risk* — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

*ETF and Mutual Fund Risk* – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs. ETFs face market-trading risks, including the potential lack of an active market for shares (ie. Liquidity), losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund’s shares trading at either a premium or a discount to its “net asset value.”

*Force Majeure Event* - When we are wholly or partly unable to perform our obligations and which are neither reasonably within our control nor the result of the fault or negligence of LDIntelligence, and which occur despite all reasonable attempts to avoid, mitigate or remedy, and shall include acts of God, war, riots, civil insurrections, cyclones, hurricanes, floods, fires, explosions, earthquakes, lightning, storms, chemical contamination, epidemics or plagues, acts or campaigns of terrorism or sabotage, blockades, embargoes, accidents or interruptions to transportation, trade restrictions, acts of any Governmental Authority, strikes and other labor difficulties, and other events or circumstances beyond our reasonable control.

*Liquidity Risk*- Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

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#### **ITEM 9 - DISCIPLINARY INFORMATION**

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LDIntelligence does not have any legal, financial or other “disciplinary” item to report.

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#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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LDIntelligence is affiliated through common ownership with the following companies:

*Intelligence Driven Advisers, LLC* – an investment adviser separately registered with the SEC that provides advisory services specifically providing financial planning, discretionary investment management and consulting services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, Eleemosynary Organizations, and Native American Sovereign Nations & Organizations. Intelligence Driven Advisers, LLC does not provide similar investment advisory services and does not service the same type of clients as LDIntelligence.

*LDI-MAP LLC (dba iJoin)* – a retirement plan technology & managed account services firm. LDI- MAP LLC is majority-owned and managed by LDIntelligence.

*LDI Personnel LLC* – administers the Firm’s employee compensation, tax and benefit costs. LDI Personnel LLC is owned and managed by LDIntelligence.

Mr. James Pupillo, as the majority owner of LDIntelligence, shares in the profit and losses of the above listed firms, which includes receiving an indirect benefit from the sales of these entities. These relationships create conflicts of interest. To address these conflicts, our Firm provides disclosures to clients, mainly through delivery of this Brochure. While LDI and the above mentioned entities do anticipate referring clients to one another, and when such a referral does occur, conflict of interest issues will be disclosed to the client before entering into an agreement to receive services from the other entity. In addition, clients are under no obligation to purchase iJoin software. Mr. Pupillo spends approximately 10% of his time providing services for LDI-MAP LLC.

#### *Dually Registered Investment Advisors*

Some of our Investment Adviser Representatives (“IAR”) are IARs of another Investment Registered Advisor, which compensates them for advisory services in addition to the services engaged with our Firm. These IARs are considered dually registered IARs.

You are advised that the firms that our IARs are affiliated with provide different advisory services. You should note, however, that you are under no obligation to engage IARs of our Firm or the other Investment Registered Advisor where our IARs are also affiliated.

#### *Insurance*

Investment Adviser Representatives (“IAR”) of our Firm may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of affecting insurance transactions for clients. This creates a conflict of interest. We recognize the fiduciary responsibility to act in the best interest of our clients and have established policies in this regard to mitigate any conflicts of interest. You have the right to decide whether

decide to purchase products as well as the right to engage or not to engage the services of any such recommended professional.

#### **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

LDIntelligence and persons associated with us are allowed to invest for their own accounts or to invest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of LDIntelligence, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether personnel are complying with the firm's ethical principles.

We have established the following restrictions to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of LDIntelligence shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of LDIntelligence shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of LDIntelligence.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account. We do reserve the right to decline purchase of various securities, particularly where speculative purchases are not consistent with client's

- best interests and/or deemed unsuitable for reasons, such as, but not limited to risk, liquidity, etc).
4. We emphasize the unrestricted right of the client to select and choose any custodian (except in situations where we are granted discretionary authority) he or she wishes.
  5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
  6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## **ITEM 12 - BROKERAGE PRACTICES**

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LDIntelligence selects a Custodian based upon their ability to provide best execution for the iJoin services. LDIntelligence considers a number of factors in selecting a Custodian to execute transactions (or series of transactions) and determining the reasonableness of the Custodian's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution, electronic trade entry and reporting, and error resolution. In selecting a Custodian to execute transactions (or series of transactions) and determining the reasonableness of the Custodian's compensation, LDIntelligence needs not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. LDIntelligence has adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors. LDIntelligence has entered into, and may continue to enter into additional agreements, e.g., certain administrative services to certain clients. In accordance with such agreements, the sub advisor is granted trading discretion, including broker selection, on behalf of the relevant accounts and has made contractual representations to LDIntelligence regarding its obligations to provide best execution for securities transactions.

### **Soft Dollar Practices**

LDIntelligence does not enter into soft dollar relationships.

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## **ITEM 13 - REVIEW OF ACCOUNTS**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities within the investment supervisory services are monitored on a monthly basis. These reviews will be made by the firm's Investment Advisor Representatives.

### **Statements and Reports**

All participant communications will take place using the Program on an interactive website, mobile application or through digital communication.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by our Firm against the account statements you receive directly from your account custodian.

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#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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LDIntelligence does not pay out compensation or receive compensation for referrals.

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#### **ITEM 15 - CUSTODY**

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

In all instances, LDIntelligence does not have custody of Client or Participants' securities or funds.

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#### **ITEM 16 - INVESTMENT DISCRETION**

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For discretionary accounts, prior to engaging LDIntelligence to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Trustee to authorize and enable LDIntelligence, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by LDIntelligence for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

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#### ITEM 17 - VOTING YOUR SECURITIES

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LDIntelligence will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients are able to contact our office with questions about a particular proxy solicitation by phone at (480) 998-2995.

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#### ITEM 18 - FINANCIAL INFORMATION

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This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

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#### ITEM 19 – REQUIREMENT FOR STATE REGISTERED ADVISORS

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James Pupillo is the main investment management executive of LDIntelligence. Please refer to Form ADV Part 2B, Item 2 below regarding the formal education and business background of our IARs. Please refer to Form ADV Part 2B below, Item 4 for information regarding the other business activity, along with the time spent of our IARs.

Mr. Steve McCoy serves as Chief Executive and Chief Compliance Officer of the firm. Mr. McCoy's formal education and business background is as follows:

Post-Secondary Education: Undergraduate studies at Santa Monica College and California State University – Los Angeles

Recent Business Experience:

1/2019-Present: LDIntelligence, Member, Chief Executive and Chief Compliance Officer

9/2016 – 1/2019: LDIntelligence, Member and Chief Operating Officer

9/2015 – 8/2016: 3D Asset Management, Chief Executive Officer

10/2013 – 9/2015 – 3D Asset Management, Executive Vice President

Mr. Jeffrey Perry is a Member of the LLC. Mr. Perry's formal education and business background is as follows:



Post-Secondary Education: Southern Methodist University, Bachelor of Business Administration & Bachelor of Science, 1981; Southern Methodist University, Juris Doctor, 1984

Recent Business Experience:

1/2019 – Present: LDIntelligence, Member  
4/2014 – Present: Jeffrey R. Perry Law Firm, Attorney

Mr. Tom Kmak is a Member of the LLC. Mr. Kmak's formal education and business background is as follows:

Post-Secondary Education: DePauw University, BA, Economics & Computational Mathematics, 1982

Recent Business Experience:

1/2019 – Present: LDIntelligence, Member  
4/2007 – Present: Fiduciary Benchmarks, Inc., Founder and CEO

Mr. Aaron Brasfield is a Member of the LLC. Mr. Brasfield's formal education and business background is as follows:

Post-Secondary Education: Washington State University, Bachelor of Science, Accounting, 1995

Recent Business Experience:

1/2019 – Present: Intelligence Driven Advisers, LLC, Member & Investment Adviser Representative  
9/2017 – Present: LDIntelligence, Member & Investment Adviser Representative  
1/2012 – 12/2017: HighTower Advisors LLC, Investment Adviser Representative

Mr. Peter Storts serves is a Member of the LLC. Mr. Storts' formal education and business background is as follows:

Post-Secondary Education: University of Utah, Bachelor of Science, Accounting, 1986

Recent Business Experience:

1/2019 – Present: LDIntelligence, Member  
4/2014 – Present: Peter Storts CPA, LLC, Proprietor

Our IARs have not been involved in or found liable in an arbitration claim or civil, self-regulatory organization or administrative proceeding alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.



**LDIntelligence**  
Intelligible Innovative Investing

## FORM ADV 2B

March 2019

**James A. Pupillo**

### **LDIntelligence LLC**

14646 North Kierland Boulevard Suite 125  
Scottsdale, Arizona 85254  
Phone: 480-300-4900

The Brochure Supplement provides information about the individuals above that supplements LDIntelligence LLC's ("LDIntelligence") Brochure. You should have received a copy of the Brochure. Please contact Steve McCoy, our Chief Compliance Officer, if you did not receive LDIntelligence's brochure or if you have any questions about the contents of this supplement. Steve McCoy can be reached at 480-300-4900.

Additional information about Mr. Pupillo (CRD# 1714650) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

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### James Pupillo

Born: 1957

#### Post-Secondary Education:

- Indiana University--Bloomington, Bachelor of Science in Business Administration/Marketing
- CIMA<sup>1</sup>, CIMC<sup>2</sup>, C(K)P<sup>3</sup>, GFS<sup>4</sup>, TFMC<sup>5</sup>
- Insurance Licenses in Life & Health

#### Recent Business Experience:

9/2017 – Present: LDIntelligence, Member & Investment Adviser Representative

1/2019 – Present: Intelligence Driven Advisers, LLC, Member & Investment Adviser Representative

1/2012 – 12/2017: HighTower Advisors LLC, Investment Adviser Representative

6/1987 – 01/2012: Morgan Stanley Smith Barney, Registered Representative

<sup>1</sup> CIMA certification requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics. Candidates must demonstrate a minimum of three years of financial services experience and complete five steps to earn the certification: submit an application with fee, and pass background check; pass the online Qualification Examination; complete the education requirement with a Registered Education Provider; pass the online Certification Examination; and sign a licensing agreement.

<sup>2</sup>As of December 2003, new CIMC certifications are no longer granted. When the designation was issued, its content focused on investment consulting. Current CIMC designees can maintain the designation through Investment Management Consultants Association (IMCA). CIMC designees are required to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, Rules and Guidelines for Use of the Marks*, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMC designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the designation.

<sup>3</sup> The C(k)P®, Certified 401(k) Professional designation is administered by The Retirement Advisor University (TRAU™) in collaboration with UCLA Anderson School of Management Executive Education. A financial professional must have demonstrated real world application of the core competencies taught in the classroom. The prerequisites are 3 years of experience in financial services, 10 defined contribution plans under management and \$30,000,000 in assets under management. There is approximately one hundred and forty two hours of coursework followed by an online and proctored exam. To maintain the designation there is 24 hours of CE credits required bi-annually.

<sup>4</sup> The GFS®, Global Financial Steward, is issued by the Leadership Center of Investment Stewards. The GFS® designation is awarded to professionals who complete an approved LeaderMetrics course and

pass the comprehensive written final examination. The GFS® designation is the financial service industry's first leadership and stewardship designation. Designees undergo training in a new body of research called LeaderMetrics® which is a framework that is used to evaluate the effectiveness of a decision-maker who is serving in a critical leadership role. In turn, the LeaderMetrics framework can be used to substantiate multiple professional standards of care – fiduciary, governance and project management. Applicants must have completed another industry-related professional designation; such as CFP®, CFA®, CIMA, AIF®, AIFA® or any of the designations awarded by the American College or the College of Financial Planning; OR have completed a graduate degree in business, law, finance or economics; OR complete an additional eight hours of fiduciary studies from one of the following six practice areas: retirement planning, wealth management, financial planning, health care and special needs planning, trusteeship (foundations/endowments) or insurance planning. Designees have undergone an extensive 2.5 day training program at West Point and have passed a 100 question final exam. Continuing Education Requirements – 12 hours annually.

<sup>5</sup>The TFMC, Tribal Financial Management Certificate is administered at Arizona State University (ASU®) American Indian Policy Institute in collaboration with NAFOA, Native American Financial Officers Association. The program provides education about the basic principles of federal Indian law, accounting standards and compliance for developing and using internal financial controls.

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### ITEM 3 - DISCIPLINARY INFORMATION

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Mr. Pupillo has no history of any legal or disciplinary events that deems to be material to a client's consideration of them to act as their investment adviser representative(s). FINRA's BrokerCheck® may have additional information regarding the disciplinary history of the individual above that is not included in this brochure supplement. (<http://brokercheck.finra.org/Support/TermsAndConditions.aspx>)

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### ITEM 4 - OTHER BUSINESS ACTIVITIES

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This section provides information on businesses or occupations in which your Investment Advisor Representative is involved, including registrations and other business interests. Mr. Pupillo is a Board Member of Help In Healing Home, a non-profit organization. He is not compensated for this activity and his time spent on this activity is less than 3 hours a month.

Mr. Pupillo is an insurance agent. It is anticipated that a small portion, less than (5%) of his time, will be spent providing these insurance products. In such capacity, he will offer fixed life insurance products and receive normal and customary commissions as a result of any purchases made by clients. The client has the right to choose to purchase fixed insurance through Mr. Pupillo on a commissionable basis. In addition, Mr. Pupillo receives other compensation such as fixed life trails. The receipt of commissions and other compensation gives him incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address these conflicts, disclosure is made to the client at the time purchase is made, identifying the nature of the transaction or

relationship, the role to be played and any compensation (e.g., commissions, trails) to be paid by the client and/or received by the insurance agent. Mr. Pupillo recognizes his fiduciary responsibility to act in your best interest and the firm has established policies in this regard to mitigate any conflicts of interest.

Mr. Pupillo is affiliated through common ownership with the following companies:

*Intelligence Driven Advisers, LLC* – an investment adviser separately registered with the SEC that provides advisory services specifically providing financial planning, discretionary investment management and consulting services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, Eleemosynary Organizations, and Native American Sovereign Nations & Organizations. Intelligence Driven Advisers, LLC does not provide similar investment advisory services and does not service the same type of clients as LDIntelligence.

*LDI-MAP LLC (dba iJoin)* – a retirement plan technology & managed account services firm. LDI-MAP LLC is majority-owned and managed by LDIntelligence.

*LDI Personnel LLC* – administers the Firm’s employee compensation, tax and benefit costs. LDI Personnel LLC is owned and managed by LDIntelligence.

Mr. James Pupillo, as the majority owner of LDIntelligence, shares in the profit and losses of the above listed firms, which includes receiving an indirect benefit from the sales of these entities. These relationships create conflicts of interest. To address these conflicts, our Firm provides disclosures to clients, mainly through delivery of this Brochure. While LDI and the above mentioned entities do anticipate referring clients to one another, and when such a referral does occur, conflict of interest issues will be disclosed to the client before entering into an agreement to receive services from the other entity. In addition, clients are under no obligation to purchase iJoin software. Mr. Pupillo spends approximately 10% of his time providing services for LDIntelligence and LDI-MAP LLC.

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#### ITEM 5 - ADDITIONAL COMPENSATION

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Mr. Pupillo does not receive any compensation outside of his activity with LDIntelligence and what is already listed above in Item 4 - Other Business Activities.

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#### ITEM 6 - SUPERVISION

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Mr. Pupillo is supervised through a compliance program designed to prevent and detect violations of the federal and state securities laws. Supervision is conducted by the Chief Compliance Officer, Mr. Steve McCoy, who is responsible for administering the policies and

procedures. Mr. McCoy reviews those policies and procedures annually for their adequacy and the effectiveness of their implementation. All policies and procedures of the firm are followed.

Contact information: Steve McCoy- 480.300.4900