



## Beacon Harbor Wealth Advisors, Inc.

440 Viking Drive, Suite 200  
Virginia Beach, VA 23452

### **Form ADV Part 2A – Firm Brochure**

(757) 644-4545

Dated June 11, 2019

This Brochure provides information about the qualifications and business practices of Beacon Harbor Wealth Advisors, Inc., “Beacon Harbor Wealth”. If you have any questions about the contents of this Brochure, please contact us at (757) 644-4545. 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.

Beacon Harbor Wealth Advisors, Inc. is registered as an 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 Beacon Harbor Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 300243.

## Item 2: Material Changes

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Since the first filing of this Form ADV Part 2A for Beacon Harbor Wealth, dated April 2, 2019, there have been no material changes.

## Item 3: Table of Contents

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# Item 4: Advisory Business

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## **Description of Advisory Firm**

Beacon Harbor Wealth Advisors, Inc. is registered as an Investment Adviser with the U.S. Securities and Exchange Commission. We were founded in December 2018. Jeremy W. Ingram, Co-President, CEO, CIO and Chief Compliance Officer, and George G. MacDonald, Jr., Co-President and CEO are equal principal owners of Beacon Harbor Wealth. As of June 7, 2019, Beacon Harbor Wealth manages \$201,800,518 on a discretionary basis and \$8,191,540 on a non-discretionary basis.

## **Types of Advisory Services**

### **Investment Management Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure. We may use unaffiliated money managers as part of our investment management service.

### **Financial Planning**

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

The client always has the right to decide whether or not to act upon our recommendations. If the client elects to act on any of the recommendations, the client always has the right to affect the transactions through anyone of their choosing.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.

- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### **Pension Consulting Services**

**Pension Consulting Services** We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment

performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

### **Employer Sponsored Plan Advisory Services (“ESAS”)**

We offer non-discretionary pension consulting to plans and their trustees with respect to such matters as: (1) identifying investment objectives and restrictions within an Investment Policy Statement; (2) maintaining compliance with the plan’s Investment Policy Statement; (3) fulfilling continual and periodic fiduciary responsibilities; (4) selecting mutual funds that plan participants can choose as their funding vehicles; (5) monitoring performance of mutual funds and making recommendations for changes; and (6) selecting other service providers, such as custodians, administrators and broker-dealers.

All plans to which we provide ESAS are regulated under the Employee Retirement Income Securities Act ("ERISA"). We will provide consulting services to the plan fiduciaries as described above. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon a client Investment Policy Statement, which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Pension Consulting Services**

#### **Wrap Fee Programs**

We do sponsor and participate in a wrap fee program. Please see our Appendix 1 regarding our wrap program information.

## **Item 5: Fees and Compensation**

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Please note, unless a client has received the firm’s disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are

paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Management Services

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
<b>\$0 - \$500,000</b>	1.50%
<b>\$500,001 - \$1,000,000</b>	1.25%
<b>\$1,000,001 and Above</b>	1.00%

The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. The advisory fee is a tiered fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. For example, an account valued at \$1,500,000 would pay an effective fee of 1.25% with the annual fee of \$18,750.00. The quarterly fee is determined by the following calculation:  $((\$500,000 \times 1.50\%) + (\$500,000 \times 1.25\%) + (\$500,000 \times 1.00\%)) \div 4 = \$4,687.50$ . No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement. In the event an unaffiliated investment manager is used, their fee is separate from our above stated fee.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a billing period will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a prorated basis.

## Pension Consulting Services

Account Value	Annual Advisory Fee
<b>\$0 - \$1,000,000</b>	0.75%
<b>\$1,000,001 - \$3,000,000</b>	0.50%
<b>\$3,000,001 - \$5,000,000</b>	0.35%
<b>\$5,000,001 and Above</b>	0.25%

The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. The advisory fee is a fixed fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a billing period will be charged a pro-rated fee based on the amount of time

remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a prorated basis.

### **Financial Planning Fixed Fee**

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$1,000.00 and \$50,000.00, depending on the needs of the client and complexity of case. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of process and the remainder is due at completion of work, however, Beacon Harbor Wealth will not bill an amount above \$1,200.00 more than 6 months in advance. In the event of early termination, the client will be billed for the hours worked at a rate of \$300.00 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

### **Financial Planning Hourly Fee**

Financial Planning fee is an hourly rate of \$100.00 per hour for an Associate or \$300.00 per hour for a Principal. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by client, any fees for the hours already worked will be due.

### **Other Types of Fees and Expenses**

When implementing an investment recommendation, the client may incur additional fees such as brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur certain charges imposed by broker-dealers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

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We do not offer performance-based fees.



## Item 7: Types of Clients

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We provide financial planning and portfolio management services to individuals, high net-worth individuals, pension and profit sharing plans, charitable organizations and corporations or other businesses.

Our minimum account size requirement is \$2,000.00.

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

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Our primary methods of investment analysis are fundamental, technical, cyclical and charting analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Charting analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect

all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

We refer clients to third-party investment advisers (“outside managers”). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager’s portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

### **Passive Investment Management**

We use a combination of both active and passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment’s current market value will fall because of a general market decline, reducing the value of the investment regardless of the success of the issuer’s operations or its financial condition.

**Strategy Risk:** The Adviser’s investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and micro market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

## Item 9: Disciplinary Information

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### **Criminal or Civil Actions**

Beacon Harbor Wealth and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Beacon Harbor Wealth and its management have not been involved in administrative enforcement proceedings.

## **Self-Regulatory Organization Enforcement Proceedings**

Beacon Harbor Wealth and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Beacon Harbor Wealth or the integrity of its management.

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

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No Beacon Harbor Wealth employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No Beacon Harbor Wealth employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Associates of Beacon Harbor Wealth are licensed to sell insurance and may engage in product sales with our clients; however they do not receive additional compensation.

### **Recommendations or Selections of Other Investment Advisers**

Beacon Harbor Wealth may refer clients to other investment advisers to manage their accounts. In such circumstances, Beacon Harbor Wealth will share in the other investment adviser's asset management fee. This situation creates a conflict of interest. However, when referring clients to another investment adviser, the client's best interest and suitability of the other investment advisers will be the main determining factors of Beacon Harbor Wealth. This relationship is disclosed to the client at the commencement of the advisory relationship. These compensation arrangements present a conflict of interest because Beacon Harbor Wealth has a financial incentive to recommend the services of the other investment advisers. You are not obligated, contractually or otherwise, to use the services of any other investment advisers we recommend. Additionally, Beacon Harbor Wealth will only recommend another investment adviser who is properly licensed or registered as an investment adviser.

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

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As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. Beacon Harbor Wealth requires adherence to its Insider Trading

Policy, and the CFA Institute's Asset Manager Code of Professional Conduct and Code of Ethics and Standards of Professional Conduct.

## **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

## **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. Our policy is designed to assure that the personal securities transactions, activities and interests of the employees of our firm will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be

approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## **Trading Securities at/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities prior to the same security for clients on the same day.

# **Item 12: Brokerage Practices**

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## **Factors Used to Select Custodians and/or Broker-Dealers**

Beacon Harbor Wealth utilizes Trade-PMR, Inc. ("Trade-PMR") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive of and in addition to Beacon Harbor Wealth's fee. Beacon Harbor Wealth regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty. Factors which Beacon Harbor Wealth considers in recommending Trade-PMR and First Clearing or any other broker-dealer or custodian to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Trade-PMR provides Beacon Harbor Wealth with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, Beacon Harbor Wealth may receive the following benefits from Trade-PMR: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **1. Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### 3. Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

### Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

When we refer accounts to an Outside Manager, Outside Managers used by Beacon Harbor Wealth may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## Item 13: Review of Accounts

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Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Jeremy W. Ingram, Co-President, CEO, CIO and CCO or George G. MacDonald, Jr., Co-President and CEO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Beacon Harbor Wealth will provide written reports to investment management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 14: Client Referrals and Other Compensation

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As noted in Item 12, Beacon Harbor Wealth will receive additional benefits from Trade-PMR which includes electronic systems that assist in the management of Beacon Harbor Wealth client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

## Item 15: Custody

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Beacon Harbor Wealth does not accept custody of client funds; however, it is deemed to have limited custody solely with its ability to withdraw fees from clients' accounts. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Standing Letters of Authorization:** Beacon Harbor Wealth does maintain a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- b. The client authorizes Beacon Harbor Wealth, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. Beacon Harbor Wealth has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. Beacon Harbor Wealth maintains records showing that the third party is not a related party of Beacon Harbor Wealth or located at the same address as Beacon Harbor Wealth.

## Item 16: Investment Discretion

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We use Outside Managers for investment management, and therefore do not exercise discretion.

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and

sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## Item 17: Voting Client Securities

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We do not vote client proxies. Therefore, clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the client's investment assets. The client shall instruct the client's qualified custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

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Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months in advance.

# Business Continuity Plan Notice

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## General

Beacon Harbor Wealth has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

## Disasters

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

## Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## Loss of Key Personnel

Beacon Harbor Wealth utilizes a “team approach” to working with clients, so generally a client will have a relationship with more than just one Beacon Harbor Wealth employee. This has been purposely done in order to provide redundancies in the event that a key employee is not available, and we consider this to be a best practice.

In the event of a death or permanent disability to a key employee, various insurance policies have been purchased to provide an economic benefit to Beacon Harbor Wealth This includes buy-sell insurance for the firm principals, key-man insurance and disability buy-out insurance. We are happy to discuss these insurance policies, and the rationale behind them, with clients so they understand the safeguards that have been put in place.

# Privacy Notice

## FACTS

### WHAT DOES BEACON HARBOR WEALTH ADVISORS, INC. DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Registered Investment Advisers choose how they share your personal information. Federal law gives clients the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect, and share depend on the product or service you have with us. This information can include:

- Information you provide in the subscription documents and other forms (including name, address, social security number, date of birth, income and other financial-related information); and
- Data about your transactions with us (such as the types of investments you have made and your account status).

#### How?

All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Beacon Harbor Wealth Advisors, Inc. chooses to share; and whether you can limit this sharing.

#### Reasons we can share your personal information

**For our everyday business purposes—** to process your transactions, maintain your accounts (for example we may share with our third-party service providers that perform services on our behalf or on your behalf, such as accountants, attorneys, consultants, clearing and custodial firms, and technology companies, respond to court orders and legal investigations, or report to credit bureaus.

**For Marketing purposes—** to offer our products and services to you

#### How do we protect your information?

To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic safeguards. These include computer safeguards such as passwords, secured files and buildings.

Our employees are advised about Beacon Harbor Wealth's need to respect the confidentiality of each client's non-public personal information. We train our employees on their responsibilities.

We require third parties that assist in providing our services to you to protect the personal information they receive. This includes contractual language in our third-party agreements.

#### Other important information

We will send you notice of our Privacy Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our Privacy Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.



Beacon Harbor Wealth Advisors, Inc.

440 Viking Drive, Suite 200  
Virginia Beach, VA 23452

(757) 644-4545

Dated June 11, 2019

Form ADV Part 2B – Brochure Supplement

*For*

**Jeremy W. Ingram, CFA**

Co-President, CEO, CIO and Chief Compliance Officer

This brochure supplement provides information about Jeremy W. Ingram that supplements the Beacon Harbor Wealth Advisors, Inc. (“Beacon Harbor Wealth”) brochure. A copy of that brochure precedes this supplement. Please contact Jeremy W. Ingram if the Beacon Harbor Wealth brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Jeremy W. Ingram is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 4281667.

# Item 2: Educational Background and Business Experience

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**Jeremy W. Ingram, CFA**

Born: 1973

## Educational Background

- 1995 – Bachelor of Arts, Economics and Business, Virginia Military Institute
- 1999 – Master of Business Administration, Regent University

## Business Experience

- 02/2019 – Present, Beacon Harbor Wealth Advisors, Inc., Co-President, CEO, CIO and CCO
- 09/2007 – 05/2019, Wells Fargo Advisors, Managing Director, PIM Portfolio Manager
- 09/2000 – 09/2007, Merrill Lynch, Financial Advisor

## Professional Designations, Licensing & Exams

**Chartered Financial Analyst (CFA):** The CFA Program is a graduate-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements. It is designed to prepare charterholders for a wide range of investment specialties that apply in every market all over the world. To earn a CFA charter, applicants study for three exams (Levels I, II, III) using an assigned curriculum. Upon passing all three exams and meeting the professional and ethical requirements, they are awarded a charter.

# Item 3: Disciplinary Information

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No management person at Beacon Harbor Wealth has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

# Item 4: Other Business Activities

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Jeremy W. Ingram is licensed to sell insurance and may engage in product sales with our clients however he does not receive additional compensation.

# Item 5: Additional Compensation

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Jeremy W. Ingram does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Beacon Harbor Wealth.

## Item 6: Supervision

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Jeremy W. Ingram, as Co-President, CEO, CIO and Chief Compliance Officer of Beacon Harbor Wealth, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.



**Beacon Harbor Wealth Advisors, Inc.**

440 Viking Drive, Suite 200  
Virginia Beach, VA 23452

(757) 644-4545

Dated June 11, 2019

**Form ADV Part 2B – Brochure Supplement**

*For*

**George G. MacDonald, Jr.**

Co-President and CEO

This brochure supplement provides information about George G. MacDonald, Jr. that supplements the Beacon Harbor Wealth Advisors, Inc. (“Beacon Harbor Wealth”) brochure. A copy of that brochure precedes this supplement. Please contact Jeremy W. Ingram if the Beacon Harbor Wealth brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about George G. MacDonald, Jr. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 1676680.



## Item 2: Educational Background and Business Experience

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**George G. MacDonald, Jr.**

Born: 1961

### **Educational Background**

- 1984 – Bachelor of Arts, University of South Carolina

### **Business Experience**

- 02/2019 – Present, Beacon Harbor Wealth Advisors, Inc., Co-President and CEO
- 09/2007 – 05/2019, Wells Fargo Advisors, Managing Director
- 10/1997 – 09/2007, Merrill Lynch, Financial Advisor

## Item 3: Disciplinary Information

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No management person at Beacon Harbor Wealth has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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George G. MacDonald, Jr. is licensed to sell insurance and may engage in product sales with our clients however he does not receive additional compensation.

## Item 5: Additional Compensation

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George G. MacDonald, Jr. does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Beacon Harbor Wealth.

## Item 6: Supervision

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Jeremy W. Ingram, as Co-President, CEO, CIO and Chief Compliance Officer of Beacon Harbor Wealth, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.



**Beacon Harbor Wealth Advisors, Inc.**

440 Viking Drive, Suite 200  
Virginia Beach, VA 23452

(757) 644-4545

Dated June 11, 2019

**Form ADV Part 2B – Brochure Supplement**

*For*

**Maury A. Stone, Jr.**

Wealth Advisor

This brochure supplement provides information about Maury A. Stone, Jr. that supplements the Beacon Harbor Wealth Advisors, Inc. ("Beacon Harbor Wealth") brochure. A copy of that brochure precedes this supplement. Please contact Jeremy W. Ingram if the Beacon Harbor Wealth brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Maury A. Stone, Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6325445.

## Item 2: Educational Background and Business Experience

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**Maury A. Stone, Jr.**

Born: 1982

### **Educational Background**

- 2005 – Bachelor of Science, Virginia Military Institute, Lexington, Virginia
- 2010 – Master of Business Administration, Old Dominion University, Norfolk, Virginia

### **Business Experience**

- 03/2019 – Present, Beacon Harbor Wealth Advisors, Inc., Wealth Advisor
- 11/2016 – 05/2019, Wells Fargo Advisors, Registered Representative
- 08/2014 – 11/2016, Wells Fargo Advisors, LLC, Registered Representative

## Item 3: Disciplinary Information

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No management person at Beacon Harbor Wealth has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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Maury A. Stone, Jr. is licensed to sell insurance and may engage in product sales with our clients however he does not receive additional compensation.

## Item 5: Additional Compensation

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Maury A. Stone, Jr. does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Beacon Harbor Wealth.

## Item 6: Supervision

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Jeremy W. Ingram, as Co-President, CEO, CIO and Chief Compliance Officer of Beacon Harbor Wealth, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.