

Form ADV

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Part 2A

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This brochure ("Brochure") provides information about the qualifications and business practices of Peerbackers Advisory LLC ("PAL"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 561-316-7766 or sally@peerbackers.com. Additional information about PAL or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

II. Material Changes

Filing date of last annual ADV update: The last annual update for our Firm was filed on March 2, 2018. There have been no material changes since the last annual filing.

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IV. Advisory Business

Firm Profile

Peerbackers Advisory LLC is a registered investment adviser based in Florida. We are organized as an LLC under the laws of the State of Florida and we have been providing investment advisory services since 2015. Worthy Financial, Inc. owns 100% of our Firm. Worthy Financial, Inc. is owned as follows:

- Sally Outlaw - 42.68%
- Andrew Rachmell – 23.28%
- Alan and Susan Jacobs – 20.34%
- Randolph A. and Jeanette Pohlman Living Trust – 10.2%
- Charles Pearlman – 2.5%

Currently, we offer internet only investment advisory services. We do not offer personal advice to clients but, rather, utilize software to assist clients in selecting primarily loans in which to invest.

IV.(B). PAL's Advisory Services

Peerbackers Advisory LLC offers a web-based portal and mobile application for clients to easily and regularly invest in alternative investment opportunities primarily in the peer lending industry. Peer lending – where borrowers avoid banks and turn to individual investors to fill their financing needs – allows borrowers to acquire loans at terms that are more appealing than those offered by traditional banks while offering our clients, the backers of those loans, a financial return on this investment. These loans to borrowers are structured in the form of Notes and are bought and sold in online marketplaces such as Lending Club and Prosper Marketplace (hereinafter referred to as the “Platforms”). We do not offer personal investing advice to clients but rather utilize interactive software to assist clients in selecting the peer loans in which to invest based on personalized information that each client shares through our website or mobile application.

Peerbackers Advisory LLC's assists you in selecting and managing a portfolio of loans that best fits your investment objectives. The Platforms' Notes are graded and listed with projected returns. In order to select which Notes to invest in you can set various parameters or criteria and our web platform or application will recommend the grade or grades and desired return that fits your investment goals. Clients may manually override and select other portfolio variations than the allocation recommended by our software.

We provide automated investing in the Notes with criteria you specify. Investing may occur in the primary market, with loans that are under issuance, or on the secondary market, with loans that were issued previously that are bought from other investors. We may also provide the option to put Notes for sale on the secondary market, and to automatically lower their ask price based on other criteria.

In order to invest your funds in the Notes, we require that you give us discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific loans, or Notes, to invest in as well as the amount of money to be invested in each loan and the number of loans to fund without your approval prior to each transaction, or the loans to sell and their selling price. Discretionary authority is typically granted by the investment advisory agreement to sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of

loans that can be funded from your account) by setting your parameters.

Types of Investments

We primarily offer advice on notes, which are fixed-income investments that generate monthly cash flow in the form of payments of principal and interest. We may also offer advice on Regulation A equity investments in emerging companies.

Assets Under Management

We provide investment advice to clients exclusively through our interactive website and mobile application. We have not yet begun to accrue assets from clients.

IV.(C). Customization of Advisory Services

We do not offer the ability to customize our advice to your individual needs.

IV.(D). Wrap Fee Program Participation

None of our investment advisory services involve the use of wrap programs.

IV. (E). Assets Under Management (“AUM”)

AUM (discretionary):	\$ 0
AUM (non-discretionary):	\$0
Total AUM ¹ :	\$0
Date of AUM calculation:	December 31, 2018

V. Fees and Compensation

We charge an annual fee of 0.25% of the Client’s account value above \$5,000. Our fee is charged on a monthly basis. The fee charged monthly will be calculated as follows: $0.25\%/12 \times \text{account value over } \$5,000$.

Your account value is equal to the remaining principal balance of the loans funded through Peerbackers Advisory LLC plus the cash available for investment on deposit in your Platform accounts. Pending loans are valued at their investment amounts. Fees accumulate for a month, and are charged on the closest corresponding date of the following month anniversary. Unless they reach \$1.00, fees will be carried over

¹ Rounded to the nearest \$100,000

to the next billing period.

We will charge your credit card for the fee due and provide you with a statement detailing the fee. The qualified custodian is responsible for providing you with account statements detailing the activity in your account. These accounts statements will be provided in accordance with the terms disclosed by the custodian in their disclosure documents. You should review all statements for accuracy.

You may terminate the portfolio management agreement at any time by closing your account on our website. When you terminate the agreement, we will only charge you the fees that accumulated since your last billing cycle.

We do not require prepayment of a fee more than six months in advance and in excess of \$500.

Additional Fees and Expenses

The fees that you pay to our firm for investment advisory services are separate and distinct from any fees and expenses charged by the Platform(s). You will generally incur transaction charges and/or other fees imposed by the Platform, broker/dealer or custodian through whom your account transactions are executed. We do not share in any portion of the charges imposed by the Platform, broker/dealer, or custodian. To fully understand the total cost you will incur, you should review all the fees charged by the Platform, broker/dealer, or custodian.

VI. Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees.

VII. Types of Clients

We offer investment advisory services to individuals.

We do not require a minimum dollar amount to open and maintain an advisory account; however, some Platforms have minimum income requirements and/or minimum account sizes, which may vary from one Platform to another. You are advised to review the disclosure documents provided by each Platform for details.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

We use third party algorithms provided primarily by the platforms themselves to determine portfolio allocations. These algorithms use statistical analysis of the loans' returns based on historical data.

Investment Strategies

Our investment strategy is designed primarily for long-term purchases meaning securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Our strategies do not incorporate overall financial or tax planning.

Risk of Loss

Investment performance of any kind can never be guaranteed. Neither Peerbackers Advisory LLC nor the Custodian represent or warrant the present or future level of risk or volatility in, or the future performance of, any portfolio, or your account. Investing in the Notes involves risks, including the risk borrowers will not repay their loans and the risk of the Platform(s) discontinuing the servicing of the loans. The Platform's obligation to make any payment on a Note is wholly dependent upon a borrower paying Platform on the corresponding loan in which you invested.

The risks of investing mean that you may lose all or most of your investment.

Investments are not guaranteed or insured by the Federal Deposit Insurance Corporation, any bank, any governmental agency or any third party. Additionally, state and/or federal regulations may change and fundamentally affect the nature of the industry.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the services we provide. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Recommendation of Particular Types of Securities

As disclosed under the Advisory Business section in this brochure, we primarily provide advisory services regarding notes, which are fixed-income investments that generate monthly cash flow in the form of payment of principal and interest. We may also offer advice on Regulation A equity investments in emerging companies.

IX. Disciplinary Information

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. We do not have any required disclosures in this section.

X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

X.(A). Broker-Dealers

Neither PAL nor any of its management persons is registered as a broker-dealer nor do they have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Certain of our management persons, however, are currently or may become registered as registered representatives of a broker-dealer.

X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators

Neither PAL nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

X.(C). Related Persons

None of our related persons, if any, have any relationship that would be disclosable here.

X.D Use of Other Investment Advisers

We do not use or otherwise recommend the use of other investment advisers in connection with our investment advisory services.

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

XI.A Code of Ethics

We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest

- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal trading practices

Our firm, or individuals associated with our firm, may recommend securities for you at the same time we, or individuals associated with our firm, buy or sell such securities of our own account.

To mitigate conflict of interest and so we will not have the ability to trade ahead of you, Peerbackers Advisory LLC does not allow our firm, or any individual associated with our firm, to buy or sell securities prior to a transaction implemented for an advisory account.

XII. Brokerage Practices

We maintain relationships with several Peer Lending Platforms. We require that you establish an account with one of the Platforms with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the Platforms we use provide quality services for our clients. In reviewing the Platforms we refer clients we consider the quality of the services provided by the Platforms, including the value of the firm's reputation, execution capabilities, fees, and responsiveness to our clients and our firm. In recognition of the value of the services the Platforms provide, you may pay higher transaction costs than those that may be available elsewhere.

XII.(A).(1). Research and Soft Dollar Benefits

We do not receive any soft dollar benefits from any broker-dealers or Platform.

XII.(A).(2). Brokerage for Client Referrals

We do not receive client referrals from any broker-dealers or Platform in exchange for cash or other compensation.

XII.(A).(3). Directed Brokerage

Since Peer Lending transactions can only happen through certain platforms, we do not allow for directed

brokerage.

XII.(B). Order Batching

Peerbackers does not permit block trades/order batching and therefore this section does not apply.

XIII. Review of Accounts

XIII.(A). Review of Accounts or Financial Plans

Form ADV Part 2 requires investment advisers such as Peerbackers Advisory LLC to disclose whether the firm periodically reviews client accounts and the frequency of reports that are provided to clients.

Peerbackers Advisory LLC reviews accounts on a limited basis monthly for accounting purposes. Additionally, a current activity log is also available on our website and on user dashboards in our mobile application so users can access daily reports on their account holdings and returns. Peerbackers Advisory clients are encouraged to update us of any change in their objectives.

These reviews are conducted by Sally Outlaw our Chief Compliance Officer

XIV. Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

XV. Custody

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive activity emails from the Platform holding your funds and securities and can view current account statements on the Platform's website. The account statements will indicate the activity for the period. You should carefully review account statements for accuracy.

XVI. Investment Discretion

As noted above in Advisory Business, once you set your parameters, Peerbackers Advisory LLC's will automatically find and purchase (or invest in) various loans or Notes and submit investment orders on your behalf without any further input from you. Consequently, we require that you grant our firm

discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). Please refer to the Advisory Business section in this brochure for more information on our discretionary management services.

XVII. Voting Client Securities

XVII.(A). Proxy Voting

Proxy Voting Policies and Procedures and Client Instruction

We do not vote proxies on behalf of any securities you own.

XVIII. Financial Information

XVIII.(A). Balance Sheet

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

XVIII.(B). Adverse Financial condition

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients.

No such conditions exist.

XVIII.(C). Bankruptcy-Related Matters

During the past ten years, PAL has not been the subject of a bankruptcy petition.

XIX. Requirements for State-Registered Advisers

As a federally-registered investment adviser, this section of our Brochure is not applicable to us.