

Item 1 – Cover Page

Part 2A of Form ADV

Orchid Advisory, LLC

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This Brochure provides information about the qualifications and business practices of Orchid Advisory, LLC. If you have any questions about the contents of this Brochure, please contact us using the information listed above. 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.

Orchid Advisory, LLC (CRD# 327750) is a registered investment advisor with the SEC. Registration of an investment advisor does not imply any certain level of skill or training.

Additional information about Orchid Advisory, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since the last filing of this brochure, the following has been updated:

- Updates pursuant to the required annual amendment filing

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Orchid Advisory, LLC ("Orchid"), was formed on June 29, 2023 and based in Dallas, TX, and has been providing investment advisory services since 2023. Orchid's principal owner is Cathleen Crews.

### B. Types of Advisory Services

#### ASSET MANAGEMENT

Orchid offers asset management services to advisory Clients. Orchid will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

#### Discretionary

When the Client elects to use Orchid on a discretionary basis, the Client will sign a limited trading authorization or equivalent allowing Orchid to determine the securities to be bought or sold and the amount of the securities to be bought or sold. Orchid will have the authority to execute transactions in the account without seeking Client approval on each transaction.

#### Non-Discretionary

When the Client elects to use Orchid on a non-discretionary basis, Orchid will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, Orchid will obtain prior Client approval on each and every transaction before executing any transaction.

#### FAMILY OFFICE SERVICES

These services include, but are not limited to, investment management and oversight, tax strategy and coordination, estate planning strategy and coordination, insurance strategy and coordination, consolidated reporting, cash flow analysis, family strategic planning, annual work plans.

If a conflict of interest exists between the interests of Orchid and the interests of the Client, the Client is under no obligation to act upon Orchid's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to affect the transaction through Orchid.

### C. Client-Tailored Services and Client-Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. These restrictions may, however, prohibit engagement with Orchid.

### D. Wrap Fee Programs

Orchid does not participate in a Wrap Program.

### E. Amounts Under Management

As of the date of this filing, Orchid provides management services for:

<b>Discretionary Assets:</b>	<b>Non-Discretionary Assets:</b>
\$103,700,000	\$21,000,000

## Item 5 – Fees and Compensation

### A. Fee Schedule

#### ASSET MANAGEMENT

Orchid offers asset management services to advisory Clients. Orchid charges an annual investment advisory fee based on the total assets under management and will not to exceed 1.00%. The specific fee will be agreed upon in the Advisory Agreement.

Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous billing period. If margin is utilized, the fees will be billed based on the net asset value of the Account. Client understands that Orchid may group certain related Client accounts, often known as “householding”, for the purposes of achieving the minimum account size and determining the annualized fee.

Orchid, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.)

#### FAMILY OFFICE SERVICES

Orchid charges an annual fixed fee for family office services. Prior to the planning process the Client will be provided an estimated plan fee which will be based on the complexity of the engagement.

#### FIXED FEES

Family Office Services are offered based on an annual fee never to exceed \$1,000,000, charged quarterly in advance. Ongoing Fee Services will continue year over year until canceled, in writing, by either Orchid or the Client. Should the fee need to change, the Client and Orchid will agree upon a new annual fee and sign an amended fee agreement.

### B. Payment of Fees

Asset Management Fees are deducted directly from the Client’s Account.

Family office service fees are generally invoiced directly to the Client but may also be deducted from another account held with Orchid.

For all services, Clients may terminate their engagement with Orchid within five (5) business days of signing an Agreement with no obligation and without penalty. After the initial (5) business days, the Agreement may be terminated by Orchid with thirty (30) days written notice to Client and by the Client at any time with written notice to Orchid. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to Orchid and all unearned fees will be refunded to the Client. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

### C. Additional Fees

Custodians may charge brokerage commissions, transaction fees, and other related costs on the purchases or sales of mutual funds, equities, bonds, options, margin interest, and exchange-traded funds. Mutual funds, money market funds, and exchange-traded funds may also charge internal

management fees, which are disclosed in the fund's prospectus. Orchid does not directly receive any compensation from these fees. All of these fees are in addition to the management fee you pay to Orchid. For more details on the brokerage practices, see Item 12 of this brochure.

D. Prepayment of Fees

Asset Management and Family Office Service Fees are billed in advance.

E. External Compensation for the Sale of Securities

Orchid does not receive any external compensation from the sale of securities.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Orchid does not use a performance-based fee structure nor "side-by-side" management because of the conflict of interest. Performance based compensation may create an incentive for Orchid to recommend an investment that may carry a higher degree of risk to the Client.

## **Item 7 – Types of Clients & Account Minimums**

Orchid's Clients are generally individuals, small businesses, trusts, estates, high net-worth individuals, pooled investment vehicles, and charities. Client relationships vary in scope and length of service.

There is no minimum account size and Clients are not required to have a certain amount of investment experience or sophistication.

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

A. Methods of Analysis and Investment Strategies

Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns. Security analysis methods may include:

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

In developing a financial plan for a Client, Orchid's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the SEC.

B. Investment Strategy

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Orchid. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients should be prepared to bear. Orchid's investment approach constantly keeps the risk of loss in mind. Investors may face the following investment risks:**

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage, and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Interest-rate Risk.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Inflation Risk.** When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk.** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Management Risk.** The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.

**Cybersecurity Risk.** Orchid and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing

or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting Orchid and its service providers may adversely impact Clients. For instance, cyberattacks may interfere with the processing of transactions, cause the release of private information about Clients, impede trading, subject Orchid to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which Clients may invest in, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions. Cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damages, and loss from damage or interruption of systems. Although Orchid has established its systems to reduce the risk of these incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Orchid does not directly control the cybersecurity measures and policies employed by third party service providers.

**Options Trading.** The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

**Trading on Margin.** In a cash account, the risk is limited to the amount of money that has been invested. In a margin account, risk includes the amount of money invested plus the amount that has been loaned. As market conditions fluctuate, the value of marginable securities will also fluctuate, causing a change in the overall account balance and debt ratio. As a result, if the value of the securities held in a margin account depreciates, the Client will be required to deposit additional cash or make full payment of the margin loan to bring the account back up to maintenance levels. Clients who cannot comply with such a margin call may be sold out or bought in by the brokerage firm.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Orchid.

## Item 9 – Disciplinary Information

Orchid and its management have not been involved in any criminal or civil actions, administrative or self-regulatory enforcement proceedings, nor any legal or disciplinary events that are material to a Client’s or prospective Client’s evaluation of Orchid or the integrity of its management.

## Item 10 – Other Financial Industry Activities and Affiliations

### A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Orchid nor its management persons are registered as a broker-dealer or broker-dealer representative.



B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Orchid nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

Neither Orchid nor its representatives have any additional material relationships to this advisory business that would present a possible conflict of interest other than what may be disclosed above.

D. Selection of Other Advisors or Managers

Orchid does not utilize nor select other advisors.

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

A. Code of Ethics

The affiliated persons (affiliated persons include employees and/or independent contractors) of Orchid have committed to a Code of Ethics (“Code”). The purpose of our Code is to set forth standards of conduct expected of Orchid affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Orchid. The Code reflects Orchid and its supervised persons’ responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

Orchid’s policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of Orchid may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Orchid’s Code is based on the guiding principle that the interests of the Client are our top priority. Orchid’s officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client’s interests over the interests of either affiliated persons or the company.

The Code applies to “access” persons. “Access” persons are affiliated persons who have access to non-public information regarding any Clients’ purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public. Orchid will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

B. Recommendations Involving Material Financial Interests

Neither Orchid nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which Orchid or a related person has a material financial interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Orchid and its affiliated persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that Orchid or an affiliated person recommends to Clients. In order to mitigate conflicts of interest, such as frontrunning, Orchid's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of Orchid.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

Orchid and its affiliated persons may recommend securities, or buy or sell securities for Clients accounts, at or about the same time, that they also buy or sell the same securities in their own account(s). Orchid, for instance, will place trades in an account in an attempt to earn better than money market rates. In order to mitigate conflicts of interest, such as frontrunning, Orchid's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of Orchid.

## Item 12 – Brokerage Practices

A. Factors Used to Select or Recommending Broker-Dealers

Orchid may require the use of a specific broker-dealer. Orchid will select appropriate brokers based on a number of factors including but not limited to their transaction fees, quality of customer service, and reporting ability. Orchid relies on the broker-dealer to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Orchid. Please note that not all Investment Advisors require that their clients direct brokerage.

1. Research and Other Soft Dollar Benefits

Orchid does not receive soft dollar benefits.

2. Brokerage for Client Referrals

Orchid does not receive Client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

3. Directed Brokerage

Unless separately agreed upon by Client and Orchid, Orchid will not accept directed brokerage arrangements. Client understands that if Orchid and Client agree to a directed brokerage arrangement, such arrangement may affect Orchid's ability to negotiate commissions and may result in the inability to obtain volume discounts or best execution for client directed accounts in some transactions. Therefore, in such situation, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the Account

than would otherwise be the case should Client elect to trade through the broker-dealer Orchid recommends.

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

B. Aggregating Trading for Multiple Client Accounts

When a Client authorizes discretionary management, Orchid is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Orchid. All Clients participating in the aggregated order shall receive an average share price with all other transactions. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-late trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred. Orchid will always attempt to aggregate orders whenever it has the opportunity to do so.

### Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

Account reviews are performed at least annually by the Chief Compliance Officer of Orchid. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans are updated as requested by the Client and pursuant to a new or amended agreement, Orchid suggests updating at least annually.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

C. Content and Frequency of Regular Reports

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Client's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Orchid may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format.

## Item 14 – Client Referrals and Other Compensation

### A. Economic Benefits from Others

Orchid does not receive any economic benefits from external sources.

### B. Compensation to Non-Advisory Personnel for Client Referrals

Orchid does not compensate for Client referrals.

## Item 15 – Custody

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by Orchid.

Orchid is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Orchid. Orchid will obtain written authorization from Client to allow for such deductions.

Orchid is not affiliated with the custodian. The custodian does not supervise Orchid, its employees or activities.

## Item 16 – Investment Discretion

If applicable, Client will authorize Orchid discretionary authority, via the Advisory Agreement, to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize Orchid discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If however, consent for discretion is not given, Orchid will obtain prior Client approval before executing each transaction.

Orchid allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to Orchid in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Orchid does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## Item 17 – Voting Client Securities

When assistance on voting proxies is requested, Orchid will provide recommendations to the Client. However, Orchid will not have authority to vote proxies on behalf of the Client. If in the future Orchid

obtains authority to vote proxies, this Brochure will be appropriately amended. Clients may contact Orchid at 704-763-2776 or [cathleen@orchid-advisory.com](mailto:cathleen@orchid-advisory.com).

## Item 18 – Financial Information

### A. Balance Sheet

Orchid does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

### B. Financial Condition

At this time, neither Orchid nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

### C. Bankruptcy Petitions in Previous Years

Orchid has not been the subject of a bankruptcy petition in the last ten years.

SUPERVISED PERSON BROCHURE  
Part 2B of Form ADV

Orchid Advisory, LLC

Cathleen Crews

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January 2024

This brochure supplement provides information about Cathleen Crews and supplements the Orchid Advisory, LLC brochure. You should have received a copy of that brochure. Please contact Cathleen Crews if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Cathleen Crews (CRD# 6286479) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Supervised Person Brochure - Cathleen Crews

Year of birth: 1982

### Item 2 - Educational Background and Business Experience

Educational Background:

- Wake Forest University, BA in English, 2004
- SMU Cox School of Business, MBA, 2012

Business Experience:

- Orchid Advisory, LLC; Investment Advisor Representative; 08/2023 – Present
- Matter Family Office; Investment Advisor Representative; 10/2018 – 08/2023
- JP Morgan Securities LLC: Registered Representative; 03/2014 – 08/2018

### Item 3 - Disciplinary Information

*Criminal or Civil Action:* None to report

*Administrative Proceeding:* None to report

*Self-Regulatory Proceeding:* None to report

### Item 4 - Other Business Activities Engaged In

Cathleen Crews has no outside business activities to report.

### Item 5 - Additional Compensation

Cathleen Crews does not receive additional compensation, performance-based fees, nor receives any additional compensation for performing advisory services other than what is disclosed in Item 5 of Part 2A.

### Item 6 - Supervision

Cathleen Crews is the Chief Compliance Officer of Orchid, and therefore is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. She can be reached at the contact information listed above.