

May 7, 2024

### Introduction

- A. My name is Edmund Melhado, and I am registered with the Securities and Exchange Commission as an investment advisor. Please note that brokerage and investment advisory services and fees differ and it is important for the retail investor to understand the differences.
- B. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors and investing.

### Relationships and Services

A. What investment services and advice can you provide me?

B. I offer investment advisory services to retail investors. These include investment advice, opening accounts, providing statements, buying and selling securities, monitoring clients' portfolios and frequent communications with clients. I offer financial and retirement planning to retail investors.

In monitoring retail investors' investments, frequent communications are on a weekly basis and are done so by phone, email and in person. These services are offered as a part of my standard services.

I offer non-discretionary investment services, and the retail investor makes the ultimate decision regarding the purchase and sale of investments.

I do not make available or offer advice with respect to proprietary products or a limited menu of products or types of investments.

I do not have any requirements for retail investors to open or maintain an account or establish a relationship such as minimum account size or investment amount.

C. Additional Information:

As a financial advisor the advisory investment services I provide are done as a fiduciary advisor and in adherence to Regulation Best Interest which requires me to give advice which is in the best interest of the retail investor.

D. “Given my financial situation, should I choose an investment advisory service? Why or why not?” Choosing an investment advisory service can help retail investors to create a personalized investment plan and identify opportunities to help grow and protect their assets.

“How will you choose investments to recommend to me?” As an investment advisor I will get to know your financial goals and needs as well as your risk/reward profile. This will allow me to recommend the most appropriate investments for you to help you build and grow your financial future.

“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?” I have over 35 years of experience in the financial advisory and services industry. I have my Series 7 and Series 66 licenses. I have passed the SIE exam. I have a Bachelor of Arts degree in economics from St. Lawrence University. Over my career I have worked with a number of elite financial services firms.

#### Fees, Costs, Conflicts, and Standard of Conduct

A. “What fees will I pay?”

“You will pay fees on a percentage of assets under management.” The principal fees and costs that retail investors will incur for my investment advisory services will be a percentage of assets under management fee. These fees will be assessed on a monthly basis. With respect to a conflict of interest, as an investment advisor that charges an asset-based fee please note that the more assets there are in a retail investor’s advisory account, the more a retail investor will pay in fees. Therefore Beacon Advisors LLC may have an incentive to encourage a retail investor to increase the assets in his or her account.

“You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.”

“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?” If I charge a retail investor a 1% asset under management fee that would be \$100. The rest of the \$10,000 will be \$9900 and that will be the amount invested.

B. “What are your legal obligations to me when acting as my investment advisor?  
How else does your firm make money and what conflicts of interest do you have?”

Investment advisors have a fiduciary and legal duty to their clients as established by the Investment Advisors Act of 1940. This means I must act under clients’ best interests and Beacon Advisors LLC only makes money from the assets under management fees. Because the assets under management fees are a percentage of assets in a retail investors account the more assets will incur more fees which can be a conflict of interest.

*Standard of Conduct.*

“WHEN I ACT AS YOUR INVESTMENT ADVISOR, I have to act in your best interest and not put my interest ahead of yours. At the same time, the way I make money creates some conflicts with your interests. You should understand and ask me about these conflicts because they can affect the investment advice I provide you. Here are some examples to help you understand what this means. If I suggest that a retail investor bring more assets in to his or her account for investment, more fees will be incurred. An example of a material conflict of interest that affects retail investors would be if the investment advisor knowingly recommended purchasing a product or service that was not in their best interest or not in line with their stated goals.

Incentives created by each of the examples below are as follows:

Proprietary products are investments issued, sponsored or managed by the investment advisor that result in greater fees to the advisor.

Third-party Payments are monies received by the advisor from third parties when the advisor recommends or sells certain investments.

Revenue sharing occurs when investments where the manager or sponsor of these investments or another third party (such as an intermediary) shares with the advisor revenue it earns on these investments.

Principal trading occurs when the investment advisor buys from a retail investor, and/or investments the advisor sells to a retail investor, for or from the advisor’s own accounts, respectively.

“How might your conflicts of interest affect me, and how will you address them?”

Conflicts of interest concern financial advising because they can result in biased investment advice such as recommending products and services that are not in the

retail investor's best interest. The investment advisor should address these by speaking with the retail investor objectively to make the retail investor aware of any conflicts of interest. The advisor needs to be completely transparent and willing to disclose any conflicts of interest and explain how the advisor manages to keep the retail investor's best interest at the forefront adhering to Regulation Best Interest.

C. "How do your financial professionals make money?"

As an investment advisor I make money by charging a fee based on assets under management. I am not compensated based on any other factors except assets under management.

#### Disciplinary History

A. Do you or your financial professionals have legal or disciplinary history?"

B. N/A

C. No

D. I recommend to the retail investor to visit Investor.gov/CRS for a free and simple search tool to research me, Edmund Melhado.

"As a financial professional, do you have any disciplinary history? If so for what type of conduct?" As a financial professional I do not have any disciplinary history.

#### Additional Information

The retail investor can find additional information about my investment advisory services and request a copy of the relationship summary by emailing Ted Melhado at [t.melhado@comcast.net](mailto:t.melhado@comcast.net).

For requests of up-to-date information and a copy of the relationship summary, the retail investor can call (303) 589-0523.

"Who is my primary contact person? Is he or she a representative of an investment advisor? Who can I talk to if I have concerns about how this person is treating me?"

Ted Melhado is the primary contact person and is the sole representative of the investment advisory firm, Beacon Advisors LLC. The retail investor can speak with Ted Melhado regarding any issues/concerns.

