



## **Bellingham Capital Management, Inc.**

### **Form ADV Part 2A –Brochure**

**Effective: March 15, 2024**

This Brochure provides information about the qualifications and business practices of Bellingham Capital Management, Inc. ("BCM"). If you have any questions about the contents of this Brochure, please contact us at (360) 685-4240. 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.

BCM is a Registered Investment Advisor with the Securities and Exchange Commission. Registration of an investment advisor does not imply any specific level of skill or training. This Brochure provides information about BCM to assist you in determining whether to retain the Advisor.

Additional information about BCM and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Bellingham Capital Management**  
**CRD No: 151684**

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**Bellingham, WA 98226**  
**Phone: (360) 685-4240**

**[www.BellinghamCapital.com](http://www.BellinghamCapital.com)**

*Part 2A* (the “Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of BCM.

BCM believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

#### Future Changes

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of BCM.

At any time, you may view the current Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for BCM:

- Click **Investment Advisor Search** in the left navigation menu.
- Click the **Firm** tab and enter **151684** (our firm’s CRD number) in the field labeled “Firm Name or CRD/SEC#”. Click the SEARCH button.
- The results will present a gray box with BCM’s firm name. Clicking the word “Disclosures” in the box will display BCM’s registration status, and the blue buttons which display our Form ADV Parts 1, 2, and 3.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.

You may also request a copy of this Brochure at any time by contacting us at (360) 685-4240.

#### Item 2 – Material Changes

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##### Material Changes as of the March 15, 2024 filing

- Item 4.B.: removed some services included in financial planning and consulting.
- Item 4.E: Updated values of assets under management.
- Item 5.B.: removed phrase that fees paid by check are due within 10 days.
- Item 5.E.: clarified that BCM does not profit from securities transactions in client account and executes securities transactions in employees’ personal and BCM’s corporate accounts.

## Item 3 – Table of Contents

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Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
A. Firm Information.....	4
B. Advisory Services Offered.....	4
C. Tailored Service.....	5
D. Wrap Fee Programs.....	6
E. Assets Under Management.....	6
Item 5 – Fees and Compensation.....	6
A. Fees for Discretionary Investment Advisory Services.....	6
B. Fee Billing.....	7
C. Other Fees and Expenses.....	8
D. Advance Payment of Fees and Termination.....	8
E. Compensation for Sales of Securities.....	9
Item 6 – Performance-Based Fees and Side-by-Side Management.....	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
A. Methods of Analysis.....	9
B. Investment Strategies.....	10
C. Risk of Loss.....	10
Item 9 – Disciplinary Information.....	11
Item 10 – Other Financial Industry Activities and Affiliations.....	11
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading.....	12
A. Code of Ethics.....	12
B. Investments in Securities of Material Interest to BCM.....	12
C. Personal Trading, Insider Trading, and Conflicts of Interest.....	12
Item 12 – Brokerage Practices.....	13
A. Recommendation of Custodian[s].....	13
B. Aggregating and Allocating Trades.....	14
Item 13 – Review of Accounts.....	14
A-B. Frequency and Causes of Reviews.....	14
C. Client Reports.....	14
Item 14 - Client Referrals and Other Compensation.....	14
A. Compensation Received by BCM.....	14
B. Client Referrals from Solicitors.....	15
Item 15 – Custody.....	15
Item 16 – Investment Discretion.....	15
Item 17 – Voting Client Securities.....	15
Item 18 – Financial Information.....	15
<b>Form ADV Part 2B – Brochure Supplement for Brian Smith.....</b>	<b>16</b>
<b>Form ADV Part 2B – Brochure Supplement for Eric Petersen.....</b>	<b>18</b>
<b>Form ADV Part 2B – Brochure Supplement for Kerri Russ.....</b>	<b>20</b>
<b>Form ADV Part 2B – Brochure Supplement for Lucille Dobson.....</b>	<b>22</b>

**A. Firm Information**

Bellingham Capital Management (“BCM” or the “Advisor”) is a Registered Investment Advisor with the Securities and Exchange Commission and is organized as an S Corporation under the laws of the State of Washington. BCM began its business on November 9, 2009 and was founded by Brian Smith, President. Its principal owners are Brian A. Smith (CRD #3149295), Eric G. Petersen (CRD #6244785), and Kerri H. Russ (CRD #6416017).

**B. Advisory Services Offered**

BCM offers investment advisory services to individuals, high net worth individuals, trusts and estates, corporations, and charitable foundations (each referred to as a “Client”).

*Advisor as Fiduciary:* We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, and we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

Discretionary Investment Advisory Services

BCM provides investment advisory solutions for its Clients. This is achieved through regular personal Client contact and interaction while providing discretionary investment management. BCM works with each Client to identify their investment goals and financial situation in order to select a portfolio allocation or model. BCM constructs portfolios, consisting of individual stocks, bonds, mutual funds, exchange-traded funds (“ETFs”), options and/or any other instrument deemed appropriate to achieve the Client’s investment goals.

BCM’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year. BCM will construct, implement, monitor and manage the portfolio according to the client’s goals or instructions. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, to the extent that these restrictions do not impair BCM’s ability to effectively manage a Client’s account. If Client restrictions are deemed obstructive, BCM may move the account to a non-discretionary or unmanaged status.

BCM evaluates and selects ETFs and mutual funds for inclusion in Client portfolios only after applying their internal due diligence process. BCM may redistribute investment allocations to diversify the portfolio. BCM may increase or decrease sector or asset class weightings. The Advisor may employ cash positions as a possible hedge against market movement, which may adversely affect the portfolio. BCM may sell positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk, exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, reallocation in anticipation of a better investment opportunity, or any risk deemed unacceptable for the Client’s risk tolerance.

**Prior to rendering investment advisory services, BCM will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].**

BCM will provide investment advisory and portfolio management services but will not provide securities custodial or other administrative services. At no time will BCM accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account pursuant to the Client Investment Advisory Agreement.

#### Financial Planning and Consulting Services

BCM makes available financial planning and financial consulting services pursuant to a written Financial Planning and Consulting Services Agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

BCM offers financial planning and financial consulting services on a variety of topics, including:

- Retirement/financial independence plans
- Budgeting
- Debt management
- Business sale or succession planning
- Estate planning
- Education planning
- Risk management
- Employee stock option planning
- Real estate
- Investment Policy Statements

BCM will typically prepare a plan for financial planning and consulting clients according to their needs and objectives. The Client provides information related to cash flow, assets, liabilities, goals, and objectives, then the Advisor and Client discuss a plan and recommendations.

BCM may also refer Clients to an accountant, attorney, or other specialist as appropriate for their unique situation. For consulting or ad-hoc engagements, the Advisor might not provide a written summary.

Financial planning and consulting recommendations pose a potential conflict between the interests of the Advisor and the interests of the Client. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect transactions through the Advisor.

#### **C. Tailored Service**

Prior to engaging BCM to provide advisory services, each Client is required to enter into an Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – BCM, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.

- Asset Allocation – BCM has developed portfolio models targeted to meet the investment objectives, time horizon, financial situation, and risk tolerance of Clients. Under certain circumstances, BCM may work with Clients to develop a custom asset allocation.
- Portfolio Construction – BCM will develop and/or manage a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – BCM will provide investment management and ongoing oversight of the Client's portfolio and overall account.
- Financial Planning and Consulting – using information and materials provided by the client, BCM will consult and strategize on recommendations and solutions regarding particular topics or concerns, and/or will produce a personalized financial plan that the client may use as supporting information in future financial activities and decisions.

#### **D. Wrap Fee Programs**

BCM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by BCM.

#### **E. Assets Under Management**

As of December 31, 2023 - the most recent date for which such calculations are provided pursuant to securities regulations - BCM manages \$125,467,386 in Discretionary Assets and \$493,131 in Non-Discretionary Assets.

Clients may request more current information at any time by contacting the Advisor.

### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for our services. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of BCM and the Client.

#### **A. Fees for Discretionary Investment Advisory Services**

Investment Advisory Fees for a household portfolio under management by the Advisor are paid monthly in arrears pursuant to the terms of the Agreement. Investment Advisory Fees in the first month of service are prorated from the date of the first deposit into the account to the end of the first month.

Fees are based on the market value of household portfolio assets under management on the last business day of each calendar month. A "household portfolio" is the set of accounts controlled by the Client or Co-Client(s).

<b>Bellingham Capital Fee Schedule for Discretionary Investment Advisory Services</b>	
<b>Household Portfolio Assets Under Management</b>	<b>Annual Rate</b>
First \$100,000.00 of household portfolio	1.50%
Next \$150,000.00 (\$100,000.01 to \$250,000.00)	1.25%
Next \$750,000 (\$250,000.00 to \$1,000,000.00)	1.00%
Above \$1,000,000.00	0.75%

All securities held in accounts managed by BCM will be independently valued by the designated Custodian. BCM will not have the authority or responsibility to value portfolio securities. Fees are negotiable and may be modified,

reduced, or waived at the sole discretion of BCM. Lower fees for comparable services may or may not be available from other sources.

Accounts held at custodians that BCM does not have an advisory service agreement with may be managed through account-consolidation software. This would incur an additional fee of 0.5% annualized of month end account balances.

Fee structures for 401k plans will be determined by the service requirements of the plan. Fees may be composed of one or more of the following: one-time setup fee, administration and management fees, employee participation fees of up to 1.5% of account balances (annualized), and/or fees of \$275 per hour.

#### Financial Planning and Consulting Fees

BCM offers financial planning and consulting on an hourly basis at \$275 per hour and will be billed in quarter-hour increments. Fees may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total project hours will be determined prior to starting each project.

The Advisor's fee is exclusive of, and in addition to brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

### **B. Fee Billing**

#### Discretionary Investment Advisory Services

Fees may be paid via check from the client or by automatic deduction from the Client Account by the Custodian. In some cases, Clients may choose the account that fees will be deducted from. Clients provide written authorization permitting BCM to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total billable assets under management with BCM at the end of each month. In cases of automatic deduction, BCM will send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective month end date. Clients will be provided with a monthly statement from the Custodian reflecting deduction of the Investment Advisory Fee. In all instances, the Advisor will send the Client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and – if applicable – the amount of assets under management on which the fee was based. Also, the Advisor will include the name of the custodian(s) on the fee invoice. The Advisor will send these to the client concurrent with the request for payment or payment of the Advisor's advisory fees. We urge the Client to compare this information with the fees listed in the account statement.

#### Financial Planning and Consulting Services

Financial Planning and Consulting fees are invoiced by the Advisor. Financial Planning and Consulting fees may be paid via check by the client or – in some cases - by deduction from the Client Account by the Custodian. In all instances, the investment adviser will send the client a written invoice, including the fee, a description of the services, the formula used to calculate the fee, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. The investment advisor will send these to the client concurrent with the request for payment or payment of the adviser's fees. We urge the Client to compare this information with the fees listed in the monthly statement from the custodian.



### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third-parties other than BCM in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. BCM will not receive any portion of these commissions, fees, and costs.

In addition, all fees paid to BCM for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of BCM, but would not receive the services provided by BCM which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by BCM to fully understand the total fees to be paid.

Client shall reimburse Advisor for the following expenses that may occur and are attributable directly to work performed under this Agreement:

- Administrative expenses such as shipping, printing, notarization, government documentation and service fees, etc.
- Travel expenses other than normal commuting which may include airfare, rental vehicles, hotel, and highway mileage in company or personal vehicles. Travel by personal vehicle will be billed at \$1 per mile between the Advisor's office and the Client's meeting location.
- Other expenses directly incurred in relation to delivery of services under this Agreement.

Advisor shall include an itemized statement of expenses with the invoice.

### **D. Advance Payment of Fees and Termination**

#### Discretionary Investment Advisory Services

BCM is compensated for its services at the beginning of each month following the month the investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with BCM by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

#### Financial Planning and Consulting Services

Should a Client wish to cancel the consulting services agreement under which any services are being provided, the Client shall be billed for actual hours expended on the project multiplied by the agreed upon hourly rate. The Advisor bills monthly in arrears.

#### Termination Within Five Days

Either party may terminate an Agreement at any time by providing written notice to the other party. If termination occurs within five (5) business days of signing the Advisor's Investment Advisory Agreement or Consulting Agreement, the Client will be refunded any fees that have been paid and will not be charged for any services that have been rendered through the date of termination.



## **E. Compensation for Sales of Securities**

BCM does not buy or sell securities to or from client accounts for profit and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above. Employees do buy and sell securities in their own accounts and accounts owned by BCM for their own investment purposes.

### Item 6 – Performance-Based Fees and Side-by-Side Management

BCM does not charge performance-based fees for its investment advisory services. The fees charged by BCM are as described in Item 5 – Fees and Compensation and are not based upon the capital appreciation of the funds or securities held by any Client.

BCM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### Item 7 – Types of Clients

BCM offers investment advisory services to the following types of Clients:

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Foundations and Endowments – non-profit organizations that manage a pool of assets, and distribute funds according to a mandate or mission
- Charitable, Non-Profit Organizations – mission-based, non-profit organizations
- Corporations and Businesses – taxable business entities, investing cash reserves
- Corporations and Businesses – retirement plans

The relative percentage each type of Client is available on BCM's Form ADV Part 1. These percentages will change over time. BCM may apply minimum account balances or may decline to accept new clients when necessary to maintain service levels to existing clients.

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

#### **A. Methods of Analysis**

Fundamental Analysis – BCM primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from BCM is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, BCM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. BCM will typically hold all or a portion of a security for more than a year, but may hold for shorter periods. At times, BCM may also buy and sell positions that are short-term in nature.

Technical Analysis – Technical analysis is used for analyzing various economic, security specific and market trends. These trends, both short- and long-term, are used for determining specific trade entry and exit points, broad economic analysis and security selection. These trends may include put/call ratios, pricing trends, moving averages, volume, changes in volume, among many others.

Mutual Fund Due Diligence – BCM uses no-load, or load-waived funds only. No-load funds or load waived funds may be subject to a transaction fee, but they do not have an up-front sales charge (called a “load”) to invest. Rather, they charge on ongoing management fee. BCM does not receive any portion of this fee. (Please see Item 5 for more information on fees.) However, if a Client requests that BCM invest their money with a loaded fund, BCM will facilitate such a purchase, but will not receive any sales commission that may be included. Prior to fulfilling a request for a loaded fund, BCM will review other no-load or load waived alternatives to determine if another investment would be more appropriate. In addition to evaluating funds, BCM evaluates respective fund managers by considering both quantitative and qualitative factors including:

- Relative performance during various time periods and market cycles
- Industry reputation
- Experience and training of staff investment professionals
- The clarity of, and adherence to, a viable investment philosophy
- Risk management process
- Portfolio management capabilities
- Fee structure
- Any other factor deemed appropriate by BCM

BCM may use various databases of information in order to facilitate the discovery process on each investment manager utilized by BCM.

As noted above, BCM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. BCM will typically hold all or a portion of a security for more than a year, except for adjustments made for purposes of rebalancing the portfolio. At times, BCM may also buy and sell positions that are short-term in nature.

## **B. Investment Strategies**

BCM's investment strategies include model portfolios which can be customized. All portfolios are constructed using a strategic asset allocation methodology, with prevailing long-term trends in mind. Short-term trends and strategies will be considered when appropriate or in accordance with Client goals and objectives.

BCM structures portfolios using a proprietary methodology. BCM believes that Clients will benefit from having a portfolio of holdings invested in a variety of assets classes. To the extent that these asset classes are non-correlated, the portfolio will experience investment returns with mitigated risk.

BCM invests Clients in no-load or load waived mutual funds, exchange-traded funds, stocks, bonds, options, cash, or cash-like products. BCM is not affiliated with any mutual fund or exchange traded fund. All investments are made with independent, third-party investment managers or individual securities selected by the Advisor.

## **C. Risk of Loss**

General Risks – Investing in securities involves investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. BCM will assist Clients in determining an appropriate strategy based on their particular situations and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the

analysis of a Client's account. The Advisor shall rely on the risk tolerance, financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in risk tolerance, financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are discussed with each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Mutual Fund and Exchange-Traded Fund Risks – Equity-based mutual funds and exchange-traded funds are subject to risks found in the broad stock market. If the stocks tracked within a mutual fund or ETF decline, the value of the mutual fund or ETF will decline. Fixed income-based mutual funds and ETFs are subject to risks similar to those of the bond market, such as increasing interest rates and credit quality. Regardless of the type of investment, returns will fluctuate and are subject to market volatility.

Options Contracts – Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Except as may otherwise be provided by law, BCM will not be liable to a client for (a) any loss that a client may suffer by reason of any investment decision made or other action taken or omitted in good faith by an advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from BCM's adherence to a client's instructions; or (c) any act or failure to act by a custodian of a client's account. Nothing in this agreement shall relieve BCM from any responsibility or liability under state or federal statutes.**

#### Item 9 – Disciplinary Information

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**There are no legal, regulatory or disciplinary events involving BCM or any of its employees.** BCM and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner.

Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). On the home page, click "Investment Advisor Search". To review the firm information contained in ADV Part 1, select the "Firm" tab and enter **151684** in the field labeled "Firm Name or CRD/SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of employees by clicking "Investment Advisor Search" again, Clicking the "Individual" tab, then entering **3149295** in "Individual Name/CRD#" for Brian Smith, **6244785** for Eric Petersen, **6416017** for Kerri Russ, or **7379908** for Lucille Dobson.

#### Item 10 – Other Financial Industry Activities and Affiliations

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The sole business of BCM is to provide investment advisory services to its Clients. Neither BCM nor its advisory personnel are involved in other business endeavors within the financial industry. BCM does not maintain any

affiliations with other firms, other than contracted service providers to assist with the servicing of its Clients' accounts.

BCM advisors are not registered as broker-dealers, futures commission merchants, commodity pool operators, or commodity trading advisors, and no such registrations are pending.

BCM may select or recommend advisors in areas such as tax planning, accounting, estate planning, and legal matters, but doesn't receive compensation from any of those advisors for making such selections or recommendations. No affiliation is created by way of these professional recommendations. BCM does not recommend or make referrals to other investment advisors.

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

### **A. Code of Ethics**

BCM has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with BCM. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. BCM and its personnel owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of BCM associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. BCM has written its Code of Ethics to meet and may exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (360) 685-4240.

### **B. Investments in Securities of Material Interest to BCM**

BCM does not solicit investment by its clients in any company in which BCM or its employees hold partnership, nor does it solicit investment by clients in companies for which BCM is an investment advisor.

### **C. Personal Trading, Insider Trading, and Conflicts of Interest**

BCM allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Therefore, we may have an interest or position in certain securities which may also be recommended to you. Owning the same securities that we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and have implemented procedures to detect the misuse of material, non-public information by monitoring personal trades of employees.

### **D. Timing of Personal Trades**

If BCM employees invest in the same securities that are recommended to clients, they are required to execute their personal investment transactions in such a way that it does not conflict with client investment interests. Employees must report personal trades in stocks, bonds, and options to BCM's Compliance Officer for oversight. **Any material conflicts of interest regarding any associated person of BCM are disclosed above. At no time will BCM or any associated person of BCM, transact in any security to the detriment of any Client.**

**A. Recommendation of Custodian[s]**

BCM does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize BCM to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, BCM does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

While BCM does not exercise discretion over the selection of the custodian, it may recommend Charles Schwab or another suitable custodian to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian. BCM does not receive research services, other products, or compensation as a result of recommending a particular custodian.

BCM typically recommends to Clients that they established their brokerage account[s] at the institutional services division of a discount broker-dealer. Recommended broker-dealers will be an independent and unaffiliated SEC-registered broker-dealer and FINRA member. Typically, recommended broker-dealers offer services to independent investment advisors, which may include custody of securities, trade execution, clearance and settlement of transactions. BCM receives some benefits from recommended broker-dealers by way of a custodial agreement between BCM and the broker-dealer. In recommending a custodian, we generally seek "best execution." In recommending a custodian, we will take into account such relevant factors as (a) price, (b) the custodian's facilities, reliability and financial responsibility, (c) the ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such custodian to BCM, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors BCM considers to be relevant.

Following are additional details regarding the brokerage practices of the Advisor:

- 1. Research and Other Soft Dollar Benefits** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **BCM does not participate in soft dollar programs sponsored or offered by any broker-dealer.**
- 2. Brokerage for Client Referrals** - BCM does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
- 3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where BCM will place trades within the established account[s] at the custodian designated by the Client. Such custodian designation may be made in accordance with a recommendation by BCM, as noted above, or independently by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. Clients may or may not choose to use the custodian recommended by BCM.

BCM does not select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian, which is selected by the Client. When Clients direct the brokerage partner to be used, Client may pay higher trade costs than would otherwise be available.

BCM will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]).

## **B. Aggregating and Allocating Trades**

The primary objective in aggregating orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results - taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality, and 5) skill required of the broker. BCM will execute its transactions through an unaffiliated broker-dealer selected by the Client. BCM may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A-B. Frequency and Causes of Reviews**

Model portfolios are monitored and reviewed on an ongoing basis by BCM's Portfolio Managers. Generally, client accounts are reviewed annually. More frequent reviews of client accounts will be conducted when market conditions or client circumstances change or when large deposits or withdrawals occur in the accounts. The Client is encouraged to request a review when changes occur in their personal financial situation that might affect their investment plan.

### **C. Client Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. These statements are generated by the custodian without input or direction from BCM. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance. Depending on the type of financial planning service requested, the portfolio manager may meet on a regular basis with clients to discuss any potential changes to their financial plan.

BCM sends Clients periodic performance reports. The content of these reports may vary from Client to Client. The specific information, format and method of delivery are per Client request. BCM performance reports are not tax documents and should not be used in the preparation of any tax filing or for accounting purposes. BCM reports are informational only.

## **Item 14 - Client Referrals and Other Compensation**

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### **A. Compensation Received by BCM**

BCM is a fee-only advisory firm, which, in all circumstances, is compensated solely by the Client. BCM does not receive commissions or other compensation from product sponsors, broker dealers, or any unrelated third party. BCM may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, BCM may receive referrals of new Clients from a third party.

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Phone: (360) 685-4240



## **B. Client Referrals from Solicitors**

BCM does not engage paid solicitors for Client referrals.

### Item 15 – Custody

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BCM does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct BCM to utilize that custodian for the Client's security transactions. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices. Clients are encouraged to review their statements from the custodian.

### Item 16 – Investment Discretion

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BCM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by BCM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by BCM will be in accordance with each Client's investment objectives and goals. Investment restrictions or requests made by the Client that are contrary to BCM advice and guidance may compel BCM to move the account to non-discretionary or unmanaged status.

Non-Discretionary Portfolio Management – Non-discretionary portfolio management is understood to mean that BCM must first get Client permission before placing trades to buy or sell securities in a Client account. BCM is free to determine the timing of a particular transaction; however, permission must first be obtained from the Client. Clients should be aware that delays in granting permission for a transaction may hinder BCM's ability to effectively manage a portfolio. Although non-discretionary services are available, most Client accounts are managed on a discretionary basis.

### Item 17 – Voting Client Securities

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BCM does not accept proxy voting responsibility for any Client. Clients receive proxies and other solicitations directly from their custodians and investment companies. Clients may request assistance with specific proxy vote items or ballots; however, the client will still be responsible for their own ballot.

### Item 18 – Financial Information

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Neither BCM, nor its management has any adverse financial situations that would reasonably impair the ability of BCM to meet all obligations to its Clients. Neither BCM, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. BCM is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.



# Form ADV Part 2B – Brochure Supplement for Brian Smith

## President and Portfolio Manager

316 E. McLeod Rd, Suite 105  
Bellingham, WA 98226  
360-685-4240

**Effective: March 15, 2024**

This Brochure Supplement provides information about Brian Smith (CRD# 3149295) that supplements the Bellingham Capital Management (“BCM” or the “Advisor” - CRD #151684) Brochure. You should have received a copy of that Brochure. Please contact Kerri Russ at (360) 685-4240 if you did not receive Bellingham Capital Management’s brochure or if you have any questions about the contents of this supplement.

Additional information about Brian Smith is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Educational Background and Business Experience

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Brian Smith, born in 1968, serves as President and Portfolio Manager for BCM. He is a dedicated planning and asset management professional to Clients of BCM.

#### Education Background:

Music & Engineering, San Diego State University, 1987-1991

Music & Engineering, California State University, San Bernardino, 1986-1987

#### Five Year Employment History :

President and Investment Advisor Representative Bellingham Capital Management Inc.	11/09 to Present
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### Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Brian Smith.* Brian Smith is not and has never been involved in any regulatory, civil or criminal action. There are no client complaints, lawsuits, arbitration claims or administrative proceedings against Brian Smith.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Brian Smith.*

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However, we do encourage you to independently view the background of Brian Smith on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select Investment Adviser Search from the left navigation menu. Then click the tab for Individual and enter **Brian Alastair Smith or 3149295** in the field labeled "Individual Name/CRD#".

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#### Item 4 – Other Business Activities

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Brian Smith received income from Kok Road Farms.

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#### Item 5 – Additional Compensation

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Brian Smith is dedicated to the investment advisory activities of BCM's Clients. Brian Smith does not receive any additional forms of compensation.

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#### Item 6 – Supervision

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Brian Smith serves as the President of BCM. His activities are supervised by Compliance Officer Kerri Russ, who can be reached at (360) 685-4240.

BCM has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of BCM. Further, BCM is subject to regulatory oversight by various agencies. These agencies require registration by BCM and its employees. As a registered entity, BCM is subject to examinations by regulators, which may be announced or unannounced. BCM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

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#### Item 7 – Requirements for State Registered Advisors

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Brian Smith does not have any additional information to disclose.

# Form ADV Part 2B – Brochure Supplement for Eric Petersen

## Vice President and Portfolio Manager

619 Commercial Ave., Suite 5  
Anacortes, WA 98221  
360-685-4240

**Effective: March 15, 2024**

This Brochure Supplement provides information about Eric Petersen (CRD# 6244785) that supplements the Bellingham Capital Management (“BCM” or the “Advisor” - CRD #151684) Brochure. You should have received a copy of that Brochure. Please contact Kerri Russ at (360) 685-4240 if you did not receive Bellingham Capital Management’s brochure or if you have any questions about the contents of this supplement.

Additional information about Eric Petersen is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Educational Background and Business Experience

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Eric Petersen, born in 1963, is a Portfolio Manager for BCM, and is a dedicated planning and asset management professional to Clients of BCM.

#### Education Background:

National Securities and Strategies Study, Naval War College, Newport RI, 2008-2009.  
Masters of Business Administration, University of Phoenix, Phoenix, AZ, 2002  
Bachelors of Science, Biology, University of Miami, Miami, FL, 1985  
Biology Studies, Occidental College, Pasadena, CA, 1981-1982

#### Five Years Employment History:

Bellingham Capital Management, Inc. Portfolio Manager	06/14 to present
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### Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Eric Petersen.* Eric Petersen is not and has never been involved in any regulatory, civil or criminal action. There are no client complaints, lawsuits, arbitration claims or administrative proceedings against Eric Petersen. Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery,

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counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Eric Petersen.*

However, we do encourage you to independently view the background of Eric Petersen on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select Investment Adviser Search from the left navigation menu, then click the "Individual" tab. Enter **Eric Geoffrey Peterson or 6244785** in the field labeled "Individual Name/CRD#".

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#### Item 4 – Other Business Activities

Eric Petersen serves as Marketing Strategist and Partner with xBlock in Minneapolis, MN.

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#### Item 5 – Additional Compensation

Eric Petersen does not receive any compensation for advisory services to persons other than BCM clients.

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#### Item 6 – Supervision

Eric Petersen is supervised by Brian Smith, President of BCM and Kerri Russ, Compliance Officer of BCM. Brian Smith can be reached at (360) 685-4240. Kerri Russ can be reached at (360) 685-4240.

BCM has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of BCM. Further, BCM is subject to regulatory oversight by various agencies. These agencies require registration by BCM and its employees. As a registered entity, BCM is subject to examinations by regulators, which may be announced or unannounced. BCM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

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#### Item 7 – Requirements for State Registered Advisors

Eric Petersen does not have any additional information to disclose.

## Form ADV Part 2B – Brochure Supplement for Kerri Russ

### Treasurer and Secretary, Client Service Specialist, Compliance Officer

173 Deer Island Rd  
Gun Barrel City, TX 75156  
360-685-4240

**Effective: Effective: March 15, 2024**

This Brochure Supplement provides information about Kerri Russ (CRD# **6416017**) that supplements the Bellingham Capital Management (“BCM” or the “Advisor” - CRD #151684) Brochure. You should have received a copy of that Brochure. Please contact Kerri Russ at (360) 685-4240 if you did not receive Bellingham Capital Management’s brochure or if you have any questions about the contents of this supplement.

Additional information about Kerri Russ is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### Item 2 – Educational Background and Business Experience

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Kerri Russ, born in 1962, serves as Treasurer, Secretary, Client Service Specialist, and Compliance Officer for BCM.

##### **Education Background:**

Master’s Certificate - Project Management, George Washington University, 1999

Bachelor of Science – Computer Science, Stephen F. Austin State University, 1985

Texas A&M University, 1980-1983

Additional information regarding Kerri Russ’s employment history is included below.

##### **Five Years Employment History:**

Bellingham Capital Management, Inc. - Client Services Specialist, Compliance Officer, Finance Officer.	06/16 to present
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#### Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Kerri Russ.* Kerri Russ is not and has never been involved in any regulatory, civil or criminal action. There are no client complaints, lawsuits, arbitration claims or administrative proceedings against Kerri Russ.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes;

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fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Kerri Russ.*

However, we do encourage you to independently view the background of Eric Petersen on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select Investment Adviser Search from the left navigation menu, then click the "Individual" tab. Enter **Kerri Hargrove Russ or 6416017** in the field labeled "Individual Name/CRD#".

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#### Item 4 – Other Business Activities

Kerri Russ does not have any other business activities outside of BCM.

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#### Item 5 – Additional Compensation

Kerri Russ does not receive any compensation other than from BCM.

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#### Item 6 – Supervision

Kerri Russ is supervised by Brian Smith, President of BCM. Brian Smith can be reached at (360) 685-4240.

BCM has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of BCM. Further, BCM is subject to regulatory oversight by various agencies. These agencies require registration by BCM and its employees. As a registered entity, BCM is subject to examinations by regulators, which may be announced or unannounced. BCM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

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#### Item 7 – Requirements for State Registered Advisors

Kerri Russ does not have any additional information to disclose.

# Form ADV Part 2B – Brochure Supplement for Lucille Dobson

## Client Advisor

316 E. McLeod Rd, Suite 105  
Bellingham, WA 98226  
360-685-4240

**Effective: Effective: March 15, 2024**

This Brochure Supplement provides information about Lucille Dobson (CRD# 7379908) that supplements the Bellingham Capital Management (“BCM” or the “Advisor” - CRD #151684) Brochure. You should have received a copy of that Brochure. Please contact Kerri Russ at (360) 685-4240 if you did not receive Bellingham Capital Management’s brochure or if you have any questions about the contents of this supplement.

Additional information about Lucille Dobson is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 – Educational Background and Business Experience

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Lucille Dobson, born in 1994, serves as Client Advisor for BCM.

#### Education Background:

Bachelor of Science - Business Management, Western Governor’s University, 2019  
Associate of Arts and Sciences – Biology, Whatcom Community College, 2014

Information regarding Lucille Dobson’s employment history is included below.

#### Five Years Employment History:

Bellingham Capital Management, Inc. - Client Advisor	03/2021 to present
Roots Marketing Group – Owner and Marketing Director	02/2019 – 03/2021
Full time student	05/2016 – 02/2019

### Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Lucille Dobson.* Lucille Dobson is not and has never been involved in any regulatory, civil or criminal action. There are no client complaints, lawsuits, arbitration claims or administrative proceedings against Lucille Dobson.

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Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Lucille Dobson.*

However, we do encourage you to independently view the background of Eric Petersen on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select Investment Adviser Search from the left navigation menu, then click the "Individual" tab. Enter **Lucille C Dobson or 7379908** in the field labeled "Individual Name/CRD#".

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#### Item 4 – Other Business Activities

Lucille Dobson is a board member of Bellingham Childcare and Learning Center in Bellingham, WA.

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#### Item 5 – Additional Compensation

Lucille Dobson does not receive any compensation other than from BCM.

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#### Item 6 – Supervision

Lucille Dobson is supervised by Brian Smith, President of BCM and Kerri Russ, Compliance Officer of BCM. Brian Smith can be reached at (360) 685-4240. Kerri Russ can be reached at (360) 685-4240.

BCM has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of BCM. Further, BCM is subject to regulatory oversight by various agencies. These agencies require registration by BCM and its employees. As a registered entity, BCM is subject to examinations by regulators, which may be announced or unannounced. BCM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

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#### Item 7 – Requirements for State Registered Advisors

Lucille Dobson does not have any additional information to disclose.