

# Filigree Advisors

a wealth design + management company

## Firm Brochure + Supplement

(Part 2A + 2B of Form ADV)

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This brochure provides information about the qualifications and business practices of Filigree Advisors. If you have any questions about the contents of this brochure, please contact us at: (503) 496-3230, or by email at: [info@filigreeadvisors.com](mailto:info@filigreeadvisors.com). 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.

Additional information about Filigree Advisors and its employees is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the SEC and reference to an individual or company as a "Registered Investment Adviser" does not imply a certain level of skill or training.

**May 9, 2011**

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## Material Changes

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### Annual Update

Advisory firms are required to file annual updates of their Firm Brochure. The Material Changes section will be updated at least annually to reflect any material changes that have occurred since the previous release of this brochure or to state that no material changes have occurred.

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### Material Changes since the Last Update

The U.S. Securities and Exchange Commission (SEC) issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in a narrative “plain English” format as supposed to check-boxes and supplemental schedules. The new final rule specifies mandatory sections and organization to help provide uniformity. The following Firm Brochure has materially changed from previous Form ADV documents provided by Filigree Advisors. The last annual update was filed March 23, 2010. Previous material changes were filed September 14, 2010.

Filigree Advisor’s Privacy Policy is included in the Firm Brochure. The Privacy Policy is in a new format, but the essence of the document remains the same.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (503) 496-3230 or by email at: [info@filigreeadvisors.com](mailto:info@filigreeadvisors.com).

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## Advisory Business

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### Firm Description

Filigree Advisors was founded in 2008.

Filigree Advisors provides investment and wealth management solutions for individuals, families, trusts, estates, charitable organizations and small businesses. For clients that grant investment discretion, Filigree will give initial and ongoing advice with respect to the client's investment portfolios. Through interaction and discussion, client goals will be used to determine investment portfolios for each goal. Filigree will select investments that are appropriate for each goal, and a client's total portfolio will be made up of an aggregation of these investments (or goals).

Filigree Advisors is strictly a fee-only financial planning and wealth management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Filigree has one employee that is licensed to sell insurance. While this employee does not actively sell insurance, he has the responsibility to service policies sold in the past.

Filigree Advisors does not act as a custodian of client assets. The client always maintains asset control. Filigree Advisors places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent portfolio reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, mortgage brokers, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which wealth management may be beneficial to the client.

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### Principal Owners

Gerald Graves is 75% owner.

Chris Dudley is 25% owner.

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### Types of Advisory Services

Filigree Advisors provides investment supervisory services, also known as asset management services, utilizing one or all of the following investments: mutual funds, separate accounts managers, bonds and other investment products such as exchange-traded funds (ETFs) and money market funds. Factors taken into consideration when selecting appropriate investments include: historical performance, management fees, current client holdings, sector weighting and costs. Filigree will primarily utilize no-load funds or exchange-traded funds for implementing client equity allocations. Filigree does not manage individual equity portfolios or perform individual security analysis. Filigree will report on individual equity securities previously purchased or acquired by the client. Clients will receive quarterly performance reports that show performance, value of positions and Filigree's management fees.

As of March 4, 2011, Filigree Advisors manages approximately \$70,300,000 in assets for approximately 20 clients. Approximately \$70,300,000 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

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**Tailored Relationships**

Filigree Advisors may tailor advisory services to the individual needs of clients based upon an inventory of their current assets. Client goals and objectives are documented for each client. Clients may impose restrictions on investing in certain securities or types of securities.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Financial Planning Agreement**

A high level financial plan is designed to help the client with specific aspects of financial planning.

The financial plan may include, but is not limited to: a review of current investment accounts, including reviewing asset allocation and providing repositioning recommendations based upon client goals.

The fee for a financial plan is predicated upon the facts known at a specific point in time at the start of the engagement. The minimum fee is \$1000 and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation changes or is found to be substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

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**Advisory Service Agreement**

The vast majority of clients choose to have Filigree Advisors manage their assets in order to obtain ongoing investment management and wealth planning. All aspects of the client's financial affairs may be reviewed, including those of their children and/or parents. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

An investment advisory fee will be charged as a percentage of assets under management, as agreed to between Filigree and the client. The portfolio fee will be based upon a portfolio value assessment billed quarterly and in arrears. Portfolio values will be based on the portfolio value (market value or fair market value in the absence of market value) at the end of each calendar quarter. The minimum annual fee is \$8,500, which may be negotiable. The following schedule reflects the annual Advisory Service Agreement fee based on a percentage of the advised upon investable assets.

0.85% on the first \$5,000,000;  
0.55% on the next \$5,000,000;  
0.40% on the next \$15,000,000;  
0.30% on the next \$25,000,000;  
0.20% on the next \$25,000,000;  
0.10% on the next \$25,000,000;

Negotiable on \$100,000,000 and above

Notwithstanding the above, fees are generally negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. The client or Filigree Advisors may cancel the agreement at any time, for any reason. Upon termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. The client has the right to terminate an investment advisory agreement without penalty within five business days after entering into this agreement.

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**Retainer Agreement**

Filigree Advisors does not offer Retainer Agreements.

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**Investment Management Agreement**

An Investment Management Agreement may be executed when financial planning is not provided as part of the relationship. The annual fee follows the same schedule listed for Advisory Service Agreements. The minimum annual fee for an Investment Management Agreement is \$8,500 and is negotiable. This agreement is applicable when Filigree is hired by a business.

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**Tax Preparation Agreement**

Tax preparation work is not provided by Filigree Advisors.

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**Hourly Planning Engagements**

Filigree Advisors may charge hourly planning services in addition to Advisory Service fees for clients who need detailed analysis on a limited scope of work. The hourly rate for detailed analysis on a limited scope engagement is \$500 per hour with a minimum of \$1,000.

Hourly planning services may be charged in addition to Financial Planning Agreement fees and Investment Management Agreement fees at the rate of \$500 per hour.

Notwithstanding the above, fees are generally negotiable.

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**Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds (ETFs), usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds. Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades.

Filigree Advisors does not receive any compensation, in any form, from brokerage firms or fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through Filigree Advisors.



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**Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Filigree Advisors in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. Upon termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Similarly, Filigree Advisors may also terminate any of the aforementioned agreements at any time by notifying the client in writing.

**Fees and Compensation**

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**Description**

Filigree Advisors bases its fees on a percentage of assets under management or hourly charges.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

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**Fee Billing**

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. However, for convenience, fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds (ETFs). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Filigree Advisors, in its sole discretion, may waive its minimum fee and/or 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.).

New Advisory Service Agreement fees are calculated based upon the relationship that is entered into. If assets are managed, the previous listed schedule is used. If financial planning advice is sought, an estimate is given based upon the complexity of individual situations.

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**Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% (one half of one percent) for their services. These fees are taken out by the mutual fund and are separate and in addition to, the fees paid by you to Filigree Advisors.

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**Past Due Accounts and Termination of Agreement**

Filigree Advisors reserves the right to stop work on any account that is more than 60 days overdue. Client agreements may be terminated at any time by either party by written notice to the other party. Any unused portion of fees collected in advance will be refunded.

**Performance-Based Fees and Side-By-Side Management**

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Filigree Advisors does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

**Types of Clients**

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**Description**

Filigree Advisors provides investment and wealth management solutions for individuals, families, trusts, estates, charitable organizations and small businesses.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$1,000,000 of assets under management, which equates to an annual fee of \$8,500, which is negotiable.

At its discretion, Filigree Advisors can establish or maintain an account that is below the stated minimum. Depending upon circumstances, Filigree Advisors has the discretion to waive the account minimum.

Clients receiving ongoing asset management services will be assessed an \$8,500 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

**Methods of Analysis, Investment Strategies and Risk of Loss**

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**Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis and cyclical analysis.

The main sources of information include financial, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Other sources of information that Filigree Advisors may use include independent sources such as Morningstar, investment management firms and data accessed via the World Wide Web.

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**Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation. We use passively-managed index and exchange-traded funds as the core investments, and then add actively-

managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

Filigree Advisors may, on occasion, recommend that all or a portion of the assets in the account be managed by an outside investment manager or Sub-Advisor. Fees charged by a Sub-Advisor will be fully disclosed to the client. In all discretionary accounts, except to the extent the client directs otherwise, Filigree Advisors is authorized to use its discretion in selecting or changing a Sub-Advisor and/or outside money manager without prior approval from the client. Clients may be required to execute a limited power of attorney with the selected Sub-Advisor.

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.

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**Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as 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.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **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.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

Neither Filigree Advisors, nor any of its employees, has had any administrative proceedings before the SEC, any other regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

## Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

Filigree Advisors is an independent firm.

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### Affiliations

We do not currently have any relationships or arrangements that are material to our Advisory business or clients with either a Broker-Dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” or offshore fund), other investment Adviser or financial planner, futures commission merchant, commodity pool operator, or commodity trading Adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Filigree has one employee that is licensed to sell insurance. This employee does not actively sell insurance and has no affiliation with any insurance carrier at this time.

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

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### Code of Ethics

The employees of Filigree Advisors have committed to a Code of Ethics. We have detailed written documents that describe our Code of Ethics, as well as our policies about personal trading and participating in client transactions. The basic overriding concept in our Code of Ethics is that we will always put the client’s interests as the top priority and will do our best to avoid any conflicts of interest between our personal interests and those of our clients. We will provide a copy of our written Code of Ethics or our policies regarding personal trading and participating in client transactions to any client or potential client who asks us for it.

Neither Filigree, nor any of its employees, recommends to clients, or buys or sells to client accounts, securities in which we have a direct material financial interest.

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### Participation or Interest in Client Transactions

Filigree Advisors does not buy securities for its own account, therefore no potential conflict of interest exists at the firm level. However, the firm's employees may trade in the same securities which the firm buys or sells for clients and may own securities of issuers whose securities the firm buys and sells for clients. Employees may not trade their own securities ahead of client trades.

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### Personal Trading

Employee trading is governed by the firm's Code of Ethics, which has been established to comply with Rule 204A-1 of the Advisers Act. The Code of Ethics requires all access persons to ensure that the interests of clients come first. The Code of Ethics contains a variety of personal trading restrictions,

which must be followed by all access persons when trading or considering a trade in the same security as clients, as well as for securities that may not be deemed appropriate or under consideration to purchase for client accounts. All access persons are required to comply with all applicable federal and state securities laws, including those governing insider trading. Initial and annual reports of personal holdings are required of all access persons, and access persons must provide quarterly reports of reportable securities transactions. All access persons trading and holdings are reviewed by the Chief Compliance Officer, Ian Crawford. In the case of Ian Crawford trading, his trades are reviewed by Gerald Graves. Access persons not complying with the Code of Ethics may be subject to disciplinary actions.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

Filigree Advisors is an independent advisor and does not have any affiliation with product sales firms. Custodian recommendations are made to clients based on their need for such services. Filigree Advisors recommends custodians based on the proven integrity, financial responsibility and the best combination of execution of orders, services and reasonable commission rates.

Filigree Advisors does not receive fees or commissions from this or any other arrangements.

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### **Best Execution**

Filigree Advisors reviews the execution of trades at each custodian each quarter. The review is documented in the Filigree Advisors Compliance Manual. Trading fees charged by the custodians is also reviewed on a quarterly basis. Filigree Advisors does not receive any portion of the trading fees.

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### **Soft Dollars**

Filigree Advisors has no soft dollar arrangements and receives no compensation from soft dollars.

Filigree does not pay for any products, research, or services from Charles Schwab or any other Broker-Dealer or third party as a result of client securities transactions.

In our relationship with Charles Schwab, we are provided access to their institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Services also include software to download transaction and price information into our own portfolio management software.

These Schwab services generally are available to independent investment advisers on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of our clients' assets are maintained in accounts at Schwab Institutional. These services are not otherwise contingent upon us committing to Schwab any specific amount of business (assets in custody or trading).

We do not use client brokerage commissions (transaction costs) for the purposes of obtaining research or other services. As brokerage commissions (transaction costs) are paid directly to the broker/dealer, and we do not use client brokerage commission to obtain research or other services, our incentive is for clients to receive best execution.

We do not cause clients to pay commissions (transaction costs) higher than those charged by other Broker-Dealers in return for soft dollar benefits.

All information received from third parties is used to benefit all clients.

Filigree does not direct commissions (transaction costs) to Broker-Dealers in return for soft dollar benefits. Filigree typically has discretionary authority to select the Broker-Dealer for custodial and

execution services. The Broker-Dealer is chosen based upon criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and Filigree and convenience of access to account trading and reporting. Filigree has chosen Charles Schwab as its preferred custodian for client accounts. We may however, at our sole discretion, accept client accounts custodied at other Broker-Dealers if there is an existing relationship between the Broker-Dealer and client.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed quarterly by advisors Gerald Graves, Chris Dudley and Ian Crawford. Account reviews may be performed more frequently.

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**Review Triggers**

Conditions that may trigger a review are changes in a client's own situation, changes in the tax laws, legislative changes, new investment information and/or market conditions.

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**Regular Reports**

Each Advisory Service Client will receive a quarterly wealth management statement that includes account values, account performance, net worth statement, asset allocation, summary of objectives, progress towards meeting those objectives and other pertinent information.

Clients also receive regular account statements (usually monthly, sometimes quarterly depending on the firm and nature of investment) from the custodian in possession of the securities under management. These statements are independent from Filigree Advisors.

## **Client Referrals and Other Compensation**

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**Incoming Referrals**

Filigree Advisors has been fortunate to receive many client referrals over the years. The referrals came from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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**Referrals Out**

Filigree Advisors does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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**Other Compensation**

Filigree Advisors receives no other compensation.

## Custody

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### Account Statements

Filigree Advisors does not have custody of client assets. All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Filigree will automatically deduct management fees.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Filigree Advisors.

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### Net Worth Statements

Clients are frequently provided net worth statements that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## Investment Discretion

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### Discretionary Authority for Trading

Filigree Advisors accepts discretionary authority to manage securities accounts on behalf of clients. Filigree Advisors has the authority 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. However, Filigree Advisors consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Filigree Advisors does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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### Limited Power of Attorney

A limited power of attorney is used as authorization for trading. You sign a limited power of attorney so that we may execute trades.

## Voting Client Securities

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### Proxy Voting

As a matter of firm policy, Filigree Advisors does not vote proxies on behalf of its clients.

## Financial Information

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### Financial Condition

Filigree Advisors does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

We do have discretionary authority over our client accounts and custody only to the extent that we automatically deduct management fees; however, we are not aware of any financial condition that will preclude the firm from meeting contractual commitments to clients.

Filigree has never been the subject of a bankruptcy petition.

## Business Continuity Plan

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### General

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

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### Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, earthquakes and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and are periodically archived offsite.

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### Alternate Offices

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

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### Loss of Key Personnel

Filigree Advisors has at least two employees that maintain an active knowledge of each client's situation in order to support the loss or absence of any firm employee due to death, disability or other life changes.

## Information Security Program

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### Information Security

Filigree Advisors maintains an information security program to reduce the risk that your personal and confidential information may be breached. This extends from physical to electronic documents.

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### Privacy Notice

Filigree Advisors is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. We do collect nonpublic personal information in order to open and administer your accounts with us and to provide you with accurate and pertinent advice. We hold all nonpublic personal information you provide us in the strictest confidence.

Filigree Advisors collects personal information about you from applications, discussions with unaffiliated third parties, information about your transactions with us or others, information from



consumer reporting agencies, forms, questionnaires, tax returns and estate planning documents. We use this information to help you meet your personal financial goals.

Only upon your request, we disclose limited information to your attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by mail, telephone, email, fax or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

Filigree Advisors maintains a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

Filigree Advisors does not sell your personal information to anyone. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants and auditors. Federal and state securities regulators may review our company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter as regulated by federal and state securities laws. After that time, information will be destroyed.

If we were to change our firm privacy policy, we would be prohibited under the law from doing so without advising you first. In addition, we are required by law to deliver this Privacy Notice to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

Filigree Advisors requires that all advisors possess at minimum a bachelor's degree and some combination of business, investment, graduate and/or direct experience providing financial services to clients. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and wealth management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

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### Gerald Graves

Born December 21, 1961

Educational Background:

- Bachelor of Science, Economics, University of Oregon, 1984

Business Experience:

- Founding Partner, Filigree Advisors (2008-Present)
- Sr. Vice President, M Financial Holdings, Inc. (2004-2007)
- President, M Financial Asset Management (2004-2007)
- President, M Funds (2004-2007)
- Founding Partner, LEAP Partners (2003-2004)
- Numerous positions at Charles Schwab (1989-2003); notably
  - Senior Vice President
  - Chief Operating Officer, Schwab Institutional

Other Business Activities:

Mr. Graves sits on the Board of Directors for National Prep Productions, which is an online high school video sports community.

Additional Compensation: None

Supervision:

Ian Crawford, Chief Compliance Officer, monitors the investment activities, personal investing activities and adherence to Filigree's compliance program and Code of Ethics of supervised

persons on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised and obtaining and reviewing brokerage statements or transactions and holdings reports of the supervised persons. Mr. Crawford can be reached at (503) 989-8899

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Chris Dudley, CFP®**

Born February 22, 1965

Educational Background:

- Bachelor of Arts, Economics and Political Science, Yale University, 1987
- Certified Financial Planner (CFP)

Business Experience:

- Partner, Filigree Advisors (2008-Present)
- Candidate, Governor of Oregon (2010)
- Vice President, M Financial Asset Management (2005-2008)
- Player, National Basketball Association (1987-2003)

Other Business Activities:

Mr. Dudley is President of the charitable organization: The Dudley Foundation. He is an Ambassador for the professional basketball team: The Portland Trailblazers. He sits on the Board of Directors for The Boys & Girls Club, SEI Endowment Board and Harold Schnitzer Diabetes Health Center.

Additional Compensation:

Mr. Dudley receives compensation away from Filigree Advisors for his participation as a spokesman for the NBA Cares Dribble to Stop Diabetes program and for his role as Ambassador for the NBA's Portland Trailblazers.

Supervision:

Ian Crawford, Chief Compliance Officer, monitors the investment activities, personal investing activities and adherence to Filigree's compliance program and Code of Ethics of supervised persons on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised and obtaining and reviewing brokerage statements or transactions and holdings reports of the supervised persons. Mr. Crawford can be reached at (503) 989-8899.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Ian Crawford**

Born May 30, 1980

Educational Background:

- Bachelor of Science, Mathematics, University of Puget Sound, 2002

Business Experience:

- CCO, Filigree Advisors (2009-Present)
- Partner, Pearl Wealth (2008-2009)
- Registered Representative, M Holdings Securities, Inc. (2007-2008)
- Sales Support Analyst, M Financial Holdings, Inc. (2003-2008)
- Product Development Specialist, John Hancock (2002)

Other Business Activities:

Mr. Crawford is a licensed insurance agent outside of Filigree Advisors. While Mr. Crawford does not actively market insurance, he has the responsibility to service policies sold in the past. If Mr. Crawford were to sell an insurance policy, he would receive a commission for the sale. This creates a conflict between Mr. Crawford's interests and the buyer's interests; however, no individual or group is under any obligation to purchase insurance products.

Mr. Crawford is a member of the non-profit, WingMen LLC, whose mission is to increase the success of Portland Metropolitan Area charities by providing financial support and exposure.

Mr. Crawford is a member of the Designing Wealth Investment Club, a partnership in the state of Oregon. The partnership is not a client of Filigree Advisors and creates no conflict of interest.

Mr. Crawford is an independent consultant for a variety of activities ranging from mathematical assessments to shoe testing. Mr. Crawford verifies that there will be no conflict of interest between the employer and Filigree Advisors. In addition, he honors Filigree Advisor's Privacy Policy when he conducts these outside activities

Mr. Crawford from time to time coaches youth basketball.

Mr. Crawford sits on the Board of Directors for Child Centered Solutions; a non-profit organization whose mission is to protect the rights of children during family conflict.

Additional Compensation:

Mr. Crawford may receive compensation away from Filigree Advisors if he sells an insurance policy. Mr. Crawford routinely receives compensation from consulting as a shoe tester. He will also receive compensation for his other consulting activities, such as providing mathematical assessment for legal cases when he engages in them. In these situations Mr. Crawford is acting independent of Filigree Advisors. Mr. Crawford may receive compensation from coaching.

Supervision:

Gerald Graves, President and Ian Crawford, Chief Compliance Officer, monitor the investment activities, personal investing activities and adherence to Filigree's compliance program and Code of Ethics of supervised persons on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised and obtaining and reviewing brokerage statements or transactions and holdings reports of the supervised persons. Gerald Graves, President, will provide the same oversight activities over Mr. Crawford. Mr. Graves can be reached at (503) 866-0656.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None