



*A Wealth of Possibilities*

## **Genesis Wealth Advisors, LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: February 25, 2017**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Genesis Wealth Advisors, LLC (“Genesis” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at 781-344-1023 or by email at [info@genesisadvisors.com](mailto:info@genesisadvisors.com).

Genesis is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Genesis to assist you in determining whether to retain the Advisor.

Additional information about Genesis and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 158388.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Genesis.

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

### Material Changes

There have been no material changes to this Disclosure Brochure since the last distribution to Clients.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure 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 Genesis.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 158388. You may also request a copy of this Disclosure Brochure at any time, by contacting us at 781-344-1023 or by email at [info@genesisadvisors.com](mailto:info@genesisadvisors.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Genesis Wealth Advisors, LLC (“Genesis” or the “Advisor”), previously known as Genesis Capital Advisors, Inc., is a registered investment advisor registered with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Company (“LLC”) under the laws of the Commonwealth of Massachusetts. Genesis Capital Advisors, Inc. was formed in 1994 and operated until June 2011 when the transition was made to the current firm, Genesis Wealth Advisors, LLC. Genesis is owned and operated by its President and Chief Compliance Officer, Paul Duval as well as Managing Director Nicholas de Peyster and Vice President Ronald Aines. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Genesis.

### **B. Advisory Services Offered**

Genesis offers investment advisory services to individuals, high net worth individuals, corporations and other business entities and charitable organizations in Massachusetts and other states (each referred to as a “Client”).

#### Wealth Management Services

Genesis may provide Clients with wealth management services, which generally includes a broad range of comprehensive financial planning services in connection with discretionary management of investment portfolios. These services are described below.

#### Investment Management Services

Genesis provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and consulting services. Genesis works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Investment recommendations and the portfolio construction provided by Genesis are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities: exchange-listed securities, mutual fund shares, exchange-traded funds (“ETFs”), real estate investment trusts (“REITs”), securities traded over-the-counter, foreign issuers, warrants, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, United States governmental securities, options contracts on securities, interests in partnerships investing in real estate, interests in partnerships investing in oil and gas interests, and interests in partnerships investing in other sectors.

Through personal discussions in which financial goals and objectives based on a Client's particular circumstances are established, Genesis will develop a Client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, Genesis will determine the Client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, Genesis also review and discuss a Client's prior investment history as well as family composition and background.

Genesis'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 to meet the objectives of the Client or due to market conditions. Genesis will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Genesis evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Genesis may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Genesis may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Genesis may recommend selling 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, or any risk deemed unacceptable for the Client's risk tolerance. Genesis will provide investment management and related advisory services. At no time will Genesis accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement.

Genesis will manage these advisory accounts primarily on a discretionary basis. Account supervision is guided by the Client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

To ensure that the Advisor's initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the Client's financial circumstances, Genesis will:

1. Send quarterly written reminders to each Genesis Client requesting any updated information regarding changes in the Client's financial situation and investment objectives;
2. At least annually, contact each participating Client to determine whether there have been any changes in the Client's financial situation or investment objectives, and whether the Client wishes to impose investment restrictions or modify existing restrictions;
3. Be reasonably available to consult with the Client; and
4. Maintain Client suitability information in each Client's file.

Depending on the engagement with the Client, Genesis will recommend its investment management service based on an analysis of the Client's financial condition and plans, which are described below. Clients needing a detailed review and plan may be offered the Comprehensive Wealth Management Service ("CWMS"), or for Clients who already have begun their wealth management may be offered a more basic engagement through its Fundamental Wealth Management Service ("FWMS"). For institutional Clients Genesis also offers investment management services through its Institutional Wealth Management Services ("IWMS"). Certain legacy Clients may be engaged for investment management services under a strategy no longer offered to Clients, known as Genesis Wealth Advisory Services and Genesis Dynamic Portfolio Management.

As an inclusive service of Clients engaged with Genesis for CWMS and FWMS, Genesis will typically include a financial plan as a starting point to gain an understanding of the Client's overall financial condition and goals. Financial planning is a comprehensive evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process all questions, information and analyses are considered, as they impact and are impacted by the entire financial life situation of the Client.

#### Comprehensive Wealth Management Services ("CWMS")

Clients who engage Genesis for its Comprehensive Wealth Management Services ("CWMS") receive one or more of the following services:

- Advanced Tactical Portfolio Management
- Custom Portfolio Design and Management
- Advanced Estate Planning Analysis
- Business and Personal Planning Integration
- Trust Administrative Services
- Multi Factor Retirement Planning
- Comprehensive Financial Planning and Analysis
- Advanced Tax Planning

#### Fundamental Wealth Management Services ("FWMS")

Clients who engage Genesis for Fundamental Wealth Management Services ("FWMS") receive one or more of the following services:

- Classic Model Portfolio Management
- Basic Estate Planning Analysis
- Education Needs Planning
- Insurance Needs Analysis
- Cash Flow and Budgeting
- Fundamental Tax Planning
- Retirement Planning
- Fundamental Financial Planning Services

#### Institutional Wealth Management Services ("IWMS")

Genesis also offers its Institutional Wealth Management Services ("IWMS") to certain Clients. These Clients include corporations, foundations, and endowments. Certain high net worth, sophisticated investors may participate in institutional level services and pricing at the sole discretion of Genesis management team.

#### Managed Account Programs

Genesis may recommend to Clients that all or a portion of their portfolio be implemented through its Manager of Managers Program by utilizing one or more unaffiliated money managers participating in a managed accounts program at the Client's selected custodian (the "Program Sponsor"). The Client will then enter into a program and investment advisory agreement with the Program Sponsor and the participating money manager[s]. The Advisor will assist and advise the Client in establishing investment objectives for the account, the selection of the money manager[s], and defining any restrictions on the account[s]. Genesis will continue to provide oversight of the Client account and ongoing monitoring of the activities of the unaffiliated money managers.

These money managers will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the Program Sponsor will charge a program fee that includes the investment advisory fee of the money managers, the administration of the program and trading, clearance and settlement costs. The Program Sponsor will add Genesis' investment advisory fee (described below in Item 5) and will deduct the overall fee from the Client account[s], generally at the start of each calendar quarter. The asset-based program fee is generally tiered and may vary depending on the size of the account[s], the asset class of the underlying securities and the manager[s] selected. The overall fee (including the Advisor's investment advisory fee) will not exceed 3% annually.

**Genesis does not receive any compensation from these unaffiliated money managers or the Program Sponsor, other than Genesis's investment advisory fee (described in Item 5).**

The Client, prior to entering into an agreement with a Program Sponsor, will be provided with the Program Sponsor's Form ADV Part 2A (or a brochure that makes the appropriate disclosures). In addition, Genesis and its Client will agree in writing that that selected Program Sponsor will manage the Client's account on a discretionary basis.

#### Financial Planning Services

For Clients not engaging with Genesis for wealth management services as described above, Genesis also offers separate financial planning services. Genesis will typically provide a variety of financial planning services to individuals and families, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan based on the Client's financial goals and objectives. This planning may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Genesis may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. 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 execute the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging Genesis to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Genesis, in connection with the Client, investment goals and objectives and the strategies to meet those goals.
- Asset Allocation – Genesis will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Genesis will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Genesis will provide investment management and ongoing oversight of the Client's investment portfolio.

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

Genesis has certain Clients that have accounts managed by an outside advisor where the advisory fee includes related custodian and transaction fees. Genesis does not manage the program or open new accounts with the program. Investment management services are typically provided directly by Genesis.

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

As of December 31, 2016, Genesis manages the following assets:

|                                      |                      |
|--------------------------------------|----------------------|
| Discretionary Assets                 | \$163,259,733        |
| Non-Discretionary Assets             | 284,976              |
| <b>Total Assets Under Management</b> | <b>\$163,544,709</b> |

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 services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Genesis and the Client.

### A. Fees for Advisory Services

#### Comprehensive Wealth Management Services (“CWMS”)

Investment advisory fees for the Comprehensive Wealth Management Services (“CWMS”) are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior quarter. Fees are based on the following fee schedule:

| Assets Under Management     | Annual Rate |
|-----------------------------|-------------|
| Up to \$1,000,000           | 1.50%       |
| \$1,000,001 to \$4,000,000  | 1.40%       |
| \$4,000,001 to \$7,000,000  | 1.30%       |
| \$7,000,001 to \$10,000,000 | 1.00%       |
| Over \$10,000,000           | 0.80%       |

#### Fundamental Wealth Management Services (“FWMS”)

Investment advisory fees for Fundamental Wealth Management Services (“FWMS”) are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior quarter. Fees are based on the following fee schedule:

| Assets Under Management     | Annual Rate |
|-----------------------------|-------------|
| Up to \$1,000,000           | 1.00%       |
| \$1,000,001 to \$4,000,000  | 0.90%       |
| \$4,000,001 to \$7,000,000  | 0.80%       |
| \$7,000,001 to \$10,000,000 | 0.70%       |
| Over \$10,000,000           | 0.50%       |

A minimum of \$250,000 of assets under management is required for the FWMS service, which may be negotiable under certain circumstances. Genesis may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### Institutional Wealth Management Services (“IWMS”)

Investment advisory fees for Institutional Wealth Management Services (“IWMS”) are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior quarter. Fees are based on the following fee schedule:

| Assets Under Management     | Annual Rate |
|-----------------------------|-------------|
| Up to \$1,000,000           | 0.75%       |
| \$1,000,001 to \$4,000,000  | 0.65%       |
| \$4,000,001 to \$7,000,000  | 0.55%       |
| \$7,000,001 to \$10,000,000 | 0.45%       |
| Over \$10,000,000           | 0.35%       |

A minimum of \$1,000,000 of assets under management is required for the FWMS service, which may be negotiable under certain circumstances. Genesis may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee.



The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Genesis will be independently valued by the Custodian. Genesis will not have the authority or responsibility to value portfolio securities.

#### Managed Accounts Programs

Fees for Clients participating in managed accounts programs will include Genesis's investment advisory fee above plus the Program Sponsors fee.

#### Financial Planning Services

Clients that have not engaged Genesis for its wealth management services are offered financial planning services on an hourly basis ranging from \$200 to \$400 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

Genesis also offers financial planning services on a fixed fee basis ranging from \$500 to \$5,000, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours and/or total costs will be determined prior to engaging for these services. Genesis generally requires an initial payment of up to 50% of the expected cost of the planning engagement in advance and the balance upon completion of the engagement deliverable[s]. Please note that advance payment will never exceed \$1,200 for work that will not be completed within six months.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees are calculated by the Advisor and deducted from the Client account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client account[s] at the respective quarter-end date. The amount due is calculated by calculating the quarter (number of days in the calendar quarter applying the quarterly rate (number of days in the calendar quarter divided by the number of days in the calendar year) to the total assets under management with Genesis at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Genesis 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.

#### Managed Accounts Programs

Clients participating in a managed accounts program or referred to unaffiliated money managers or investment advisors will be billed in accordance to the investment advisory agreement with the respective Program Sponsor or advisor. Program Sponsors will add Genesis's investment advisory fee and deduct the overall fee from the Client's account[s]. In situations where a Client is referred to an unaffiliated investment advisor, the investment advisor will collect its fee and compensate Genesis out of its fee. Details are described in Item 14 below.

#### Financial Planning and Consulting Services

Financial planning and consulting fees are invoiced up to 50% upon execution of the financial planning and consulting agreement and the balance upon completion of the agreed upon deliverable[s]. The balance is due upon completion of the plan and will be based upon actual hours accrued, minus the retainer payment.

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

Clients may incur certain fees or charges imposed by third parties, other than Genesis, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The investment advisory fee charged by Genesis is separate and distinct from these custody and execution fees.

In addition, all fees paid to Genesis 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 Genesis, but would not receive the services provided by Genesis which are designed, among other things, to assist the Client in determining which products or services are most appropriate for 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 Genesis to fully understand the total fees to be paid.

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

##### Investment Management Services

Genesis is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may request to terminate the investment advisory agreement with Genesis, at any time, by providing advance written notice. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's agreement with the Advisor is non-transferable without the Client's prior consent.

##### Managed Accounts Programs

In the event that a Client should wish to terminate their relationship with a managed accounts program or unaffiliated investment advisor, the terms for termination will be set forth in the respective agreements between the Client and those third parties. Genesis will assist the Client with the termination and transition as appropriate.

##### Financial Planning Services

The Advisor may be partially compensated in advance for its financial planning and consulting services. Either party may terminate a planning agreement, at any time, by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) days of signing the Advisor's financial planning agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro rata basis. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

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

Certain Advisory Persons may also be a registered representative of Clary Investment and Insurance Planning Corporation of North Easton, MA. Clary Investment is a registered broker-dealer (CRD No. 38654), member FINRA, SIPC. In their separate capacity as registered representatives, Advisory Persons will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by the advisory person. Neither the Advisor nor the Advisory Person will earn investment advisory fees in connection with any services implemented in their separate capacity as a registered representative where a commission is earned. Please see Item 10 below.

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

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

#### **Item 7 – Types of Clients**

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Genesis provides investment advisory services to individuals, high net worth individuals, corporations, other business entities and charitable organizations. The relative percentage of each type of Client is available on Genesis's Form ADV Part 1. These percentages will change over time. Clients who engage Genesis for FWMS or CWMS generally require a minimum relationship size of \$250,000. Clients that engage the Advisor for IWMS

generally require a minimum relationship size of \$1,000,000.

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

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

Genesis employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Genesis 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.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

As noted above, Genesis generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Genesis will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Genesis may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

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

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

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 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 financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to 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. Genesis may use margin in Client accounts to manage the timing of purchases and sales, as appropriate. Genesis may employ options strategies to hedge or gain additional exposure to a particular asset class or sector. Genesis' investment strategy encompasses active trading in concentrated portfolios.

Following are some additional risks associated with options, frequent trading and alternative investments:

#### 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.

#### Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

**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.**

### **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Genesis or any of its Supervised Persons.** Genesis and its **Supervised Persons** 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) by searching with our firm name or our CRD# 158338.

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

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Genesis is required to disclose any relationship or arrangement that is material to its advisory business or to its Clients. Genesis has the following relationships to disclose:

#### Broker-Dealer Affiliation

As mentioned in Item 5.E above, certain Advisory Persons may also be a registered representative of Clary Investment and Insurance Planning Corporation, a broker-dealer in which Mr. Duval is also an owner. In their separate capacity as registered representatives, Advisory Persons will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person. Neither the Advisor nor the Advisory Person will earn investment advisory fees in connection with any services implemented in their separate capacity as a registered representative where commissions are also earned.

#### Insurance Agency Affiliations

Certain advisory persons are also licensed insurance professionals. Implementations of insurance recommendations is separate and apart from an Advisory Person's role with Genesis. As an insurance professional, the Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. Advisory Persons are not required to offer the products of any particular insurance company. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by the advisory person or the Advisor.

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

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

Genesis has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Genesis (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Genesis and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of

Genesis's Supervised Persons 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 address ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at 781-344-1023 or via email at [info@genesisadvisors.com](mailto:info@genesisadvisors.com).

#### **B. Personal Trading with Material Interest**

Genesis allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Genesis does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Genesis does not have a material interest in any securities traded in Client accounts.

#### **C. Personal Trading in Same Securities as Clients**

Genesis allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities 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. When trading for personal accounts, Supervised Persons of Genesis may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Genesis requiring reporting of personal securities trades to the Chief Compliance Officer ("CCO"). We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Genesis allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Genesis, or any Supervised Person of Genesis, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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

Genesis does not have discretionary authority to select the broker-dealer/custody for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Genesis to direct trades to this custodian as agreed in the investment advisory agreement. Further, Genesis does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Genesis does not exercise discretion over the selection of the Custodian, it may recommend the custodian[s] to Clients for execution and custody services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by Genesis.

Genesis may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices. Genesis does not receive research services, other products, or compensation as a result of recommending a particular broker-dealer/custodian that may result in the Client paying higher commissions than those obtainable through other broker-dealer/custodians.

Genesis typically recommends to Clients that they established their brokerage account[s] at Fidelity Clearing & Custody Solutions and affiliates under Fidelity Investments, Inc. (collective "Fidelity"). Fidelity is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. Fidelity offers independent investment Advisors services, which include custody of securities, trade execution, clearance and settlement of transactions.



Genesis receives some benefits from the Fidelity through its participation in the program. Genesis considers a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. Genesis is not affiliated with, or related to, Fidelity.

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

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the Custodian in exchange for research and other services. Genesis does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from Fidelity as detailed in Item 14.

**2. Brokerage Referrals** - Genesis does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Genesis will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor 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]). Genesis will not be obligated to 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 Custodian.

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

The primary objective in placing 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 Custodian. Genesis will execute its transactions through the Custodian as directed by the Client. Genesis may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian 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. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by the account's primary advisor and the Advisor's investment committee. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

For our financial planning and consulting Clients, reviews may occur at different stages of the Client relationship depending on the nature and terms of the specific engagement. Formal reviews are not typically conducted for financial planning and consulting Clients, unless additional arrangements are contracted.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Genesis if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

## **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the 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]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance. Financial planning clients will receive a completed financial plan.

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

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### **A. Compensation Received by Genesis**

#### **Participation in Institutional Advisor Platform**

As mentioned in Item 12A above, Genesis has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Fidelity: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

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

Genesis does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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Genesis does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Genesis to utilize the Custodian for the Client's security transactions. Genesis encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

## **Item 16 – Investment Discretion**

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Genesis 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 Genesis. 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 Genesis will be in accordance with each Client's investment objectives and goals.

## **Item 17 – Voting Client Securities**

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Genesis does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.



## **Item 18 – Financial Information**

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Neither Genesis, nor its management persons, has any adverse financial situations that would reasonably impair the ability of Genesis to meet all obligations to its Clients. Neither Genesis, nor any of its management persons, has been subject to a bankruptcy or financial compromise. Genesis is not required to deliver a balance sheet along with this Disclosure Brochure, as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

## **Privacy Policy**

### **Effective: February 25, 2017**

#### **Our Commitment to You**

Genesis Wealth Advisors, LLC ("Genesis" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Genesis (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Genesis does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

#### **Why you need to know?**

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

#### **What information do we collect from you?**

|                                                    |                                 |
|----------------------------------------------------|---------------------------------|
| Social security or taxpayer identification number  | Assets and liabilities          |
| Name, address and phone number(s)                  | Income and expenses             |
| Date of Birth                                      | Driver's License                |
| E-mail address(es)                                 | Investment activity             |
| Account information (including other institutions) | Investment experience and goals |

#### **What Information do we collect from other sources?**

|                                               |                                                     |
|-----------------------------------------------|-----------------------------------------------------|
| Custody, brokerage and advisory agreements    | Account applications and forms                      |
| Other advisory agreements and legal documents | Investment questionnaires and suitability documents |
| Transactional information with us or others   | Other information needed to service account         |

#### **How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

## How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

| Basis For Sharing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Do we share? | Can you limit? |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|
| <b>Servicing our Clients</b><br>We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.                     | Yes          | No             |
| <b>Marketing Purposes</b><br>Genesis does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Genesis or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b> | No           | Not Shared     |
| <b>Authorized Users</b><br>Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).                                                                                                                                                                                                                                                                                                                            | Yes          | Yes            |
| <b>Information About Former Clients</b><br>Genesis does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.                                                                                                                                                                                                                                                                        | No           | Not Shared     |

## State-specific Regulations

|               |                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Massachusetts | In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

## Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at 781-344-1023 x111 or via email at [info@genesisadvisors.com](mailto:info@genesisadvisors.com).