

BDT & Associates, Inc.

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of BDT & Associates, Inc.. If you have any questions about the contents of this brochure, please contact us at (928) 344-8000 or by email at: info@bdtandassociates.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about BDT & Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. BDT & Associates, Inc.'s CRD number is: 288008.

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

BDT & Associates, Inc. has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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Item 4: Advisory Business

A. Description of the Advisory Firm

BDT & Associates, Inc. (hereinafter "BDT") is a Corporation organized in the State of Arizona. The firm was formed in August 2007, and the principal owner is Barry Douglas Todd.

B. Types of Advisory Services

Portfolio Management Services

BDT offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BDT creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

BDT evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

BDT seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BDT's economic, investment or other financial interests. To meet its fiduciary obligations, BDT attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, BDT's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is BDT's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Selection of Other Advisers

BDT may direct clients to third-party investment advisers. Before selecting other advisers for clients, BDT will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where BDT is recommending the adviser to clients.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

Services Limited to Specific Types of Investments

BDT generally limits its investment advice to insurance products including annuities. BDT may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

BDT will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by BDT on behalf of the client. BDT may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BDT from properly servicing the client account, or if the restrictions would require BDT to deviate from its standard suite of services, BDT reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BDT does not participate in any wrap fee programs.

E. Assets Under Management

BDT has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	March 2017

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management	Annual Fees
All Assets	3.00%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of BDT's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Selection of Other Advisers Fees

BDT may direct clients to third-party investment advisers. BDT will be compensated via a fee share from the advisers to which it directs those clients. The fees shared are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

Financial Planning Fees

Fixed Fees

The negotiated fixed rate for creating client financial plans is up to \$25,000.

Clients may terminate the agreement without penalty, for full refund of BDT's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

Payment of Selection of Other Advisers Fees

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering into a relationship with the third-party advisor.

Payment of Financial Planning Fees

Financial planning fees are paid via wire.

Fixed financial planning fees are paid in arrears upon completion.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BDT. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

BDT collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

E. Outside Compensation For the Sale of Securities to Clients

Neither BDT nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

BDT does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

BDT generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Corporations or Business Entities

There is no account minimum for any of BDT's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

BDT's methods of analysis include Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

BDT uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many

investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

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

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

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

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Barry D Todd, the CEO, was assaulted on 2/28/2014 and had to defend himself. Subsequently, his assailant was shot. Mr. Todd was charged with First-Degree Attempted Murder and 2 charges for Aggravated Assault. The entire incident was on video and the court dismissed all charges with prejudice due to self-defense and lack of probable cause. All information has been disclosed to the SEC and is noted in the broker check. Mr. Todd is not required to disclose this information on his ADV Part 2B (Supplement)

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither BDT nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither BDT nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Barry Douglas Todd is an investment adviser representative with another investment advisory firm, Cambridge Investment Research Advisors, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. BDT always acts in the best interest of the client and clients are in no way required to use the services of any representative of BDT in connection with such individual's activities outside of BDT.

Barry Douglas Todd is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. BDT always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of BDT in connection with such individual's activities outside of BDT.

Megan Burns Pontes is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. BDT always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of BDT in connection with such individual's activities outside of BDT.

George Ernest Stratmann Jr is a licensed insurance agent. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. BDT & Associates, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of BDT & Associates, Inc. in their capacity as a licensed insurance agent.

George Ernest Stratmann Jr is a property owner with timber, oil & gas production that will produce periodic income. George Ernest Stratmann Jr owns real estate where he receives rental income.

Matthew Lee Pontes is a licensed insurance agent at BDT & Associates, Inc and Matthew L. Pontes. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. BDT & Associates, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of BDT & Associates, Inc. in their capacity as a licensed insurance agent.

Matthew Lee Pontes is a Board Member at Amber Farms LLC and Coronado Chamber of Commerce.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

BDT may direct clients to third-party investment advisers. BDT will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that BDT has an incentive to direct clients to the third-party investment advisers that provide BDT with a larger fee split. BDT will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. BDT will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where BDT is recommending the adviser to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

BDT has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. BDT's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

BDT does not recommend that clients buy or sell any security in which a related person to BDT or BDT has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

As part of its Code of Ethics, BDT has implemented a restricted list to ensure that neither the adviser nor its representatives will trade in securities that BDT also recommends to clients.

D. Trading Securities At/Around the Same Time as Clients' Securities

Please see Item 11.C above.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on BDT's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and BDT may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of BDT. BDT will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

BDT will recommend clients to use Pershing Advisor Solutions LLC.

1. Research and Other Soft-Dollar Benefits

BDT may enter into soft dollar arrangements through which it may receive research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits") within (but not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and BDT does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. BDT benefits by not having to produce or pay for the research, products or services, and BDT will have an incentive to recommend a

broker dealer based on receiving research or services. Clients should be aware that BDT's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

BDT receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

BDT may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to BDT to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

BDT does not aggregate or bunch the securities to be purchased or sold for multiple clients, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Review of Accounts

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

All client accounts for BDT's advisory services provided on an ongoing basis are reviewed at least Quarterly by Barry D Todd, CEO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at BDT are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Barry D Todd, CEO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, BDT's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of BDT's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. BDT will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

BDT may receive compensation from third-party advisers to which it directs clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

BDT does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, BDT will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

BDT does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

BDT will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

BDT neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither BDT nor its management has any financial condition that is likely to reasonably impair BDT's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

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