

**ADE, LLC**  
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**ARMSTRONG DIXON**  
d/b/a  
**CELESTIAL WEALTH MANAGEMENT**

**ADV Part 2A, Appendix 1**  
**Wrap Fee Program Brochure**  
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**This brochure provides information about the qualifications and business practices of ADE, LLC. If you have any questions about the contents of this brochure, please contact us at (443) 563-1111. 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 ADE, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to ADE, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

This section describes the material changes to ADE, LLC’s Wrap Fee Brochure since its last annual amendment on March 22, 2019.

There have been no material changes made to the brochure since the last annual amendment was filed.

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## **Item 4            Services, Fees and Compensation**

### **A.   INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide non-discretionary or discretionary investment advisory services.

#### **ADE, LLC WRAP PROGRAM**

The Registrant is the sponsor and investment manager of the ADE, LLC Wrap Fee Program (the “Program”). Under the Program, the Registrant is able to offer participants either non-discretionary or discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program is negotiable and will not exceed 2.00% depending upon the amount and type of the Program assets. The Registrant, in its sole discretion, may reduce its fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Under the Program, the Registrant, for discretionary accounts, is provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in the written investment advisory agreement between each client and the Registrant (the “IAA”). Clients may amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant’s investment professionals to discuss their account.

All prospective Program participants should read both the Registrant’s Brochure and this Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

LPL Financial LLC (the “Custodian” or “LPL Financial”) shall serve as the custodian for Program accounts.

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. Because billing occurs in advance, any deposit or withdrawal made during the quarter will be prorated and either deducted or added to the fee in the following billing period, as applicable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an account.

**Termination of Advisory Relationship:** An IAA may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate, tax, and insurance planning. Neither the Registrant, nor any of its

representatives, serves as an attorney or accountant and no portion of the Registrant's services should be construed as legal or accounting services. Neither the Registrant nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. To the extent requested by a client, the Registrant may recommend the services of other professionals (i.e. attorneys, accountants, insurance, etc.), including certain of the Registrant's representatives as discussed below. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Registrant and its representatives. If the client engages any recommended professional, and a dispute arises, the client agrees to seek recourse exclusively from the engaged professional. The client will specifically agree to this in the IAA. Federal and state securities laws impose liabilities under certain circumstances on person who act in good faith and, therefore, the client is not waiving any rights that they may have under federal and state securities laws. In addition, the Registrant does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired, in light of any changes in their financial situation or investment objectives.

**Non-Discretionary Service Limitations.** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining the client's consent. For instance, although the firm does not recommend market timing as an investment strategy, in the event of a market correction event where the firm cannot reach the client, a client may suffer investment losses or miss potential investment gains.

**Private Investment Funds.** The Registrant may provide investment advice regarding unaffiliated private investment funds. The Registrant's role relative to the private investment funds is limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in any private fund will be included as part of the Registrant's "assets under management" in calculating the Registrant's investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with the investment.

In the event that the Registrant references private investment funds owned by the client on any account report, the value for all private investment funds will reflect the most recent valuation provided by the fund sponsor, which could be more or less than the current market value.

**Variable Annuities.** The Registrant also may render investment management services to clients relative to variable life or variable annuity products that they may own. The

Registrant either directs or recommends the allocation of client assets among the various investment subdivisions that comprise these products. The Registrant's recommendations or decisions are limited to the investment options available. The client's assets are maintained at the specific insurance company that issued the product that the client owns.

**Independent Managers.** The Registrant may invest or recommend that the client invest in one or more unaffiliated independent investment managers in accordance with the client's investment objectives. In these situations, the Independent Manager shall have day-to-day responsibility for the discretionary management of the allocated assets. The Registrant will continue to monitor and review the Independent Manager's performance, and the client's asset allocation and investment objectives. Factors which the Registrant considers in recommending Independent Managers include the client's investment objectives, and the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research.

**Client Obligations.** The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

**COMPREHENSIVE REPORTING.** The Registrant, in conjunction with the services provided by Morningstar Office<sup>SM</sup> may also provide periodic comprehensive reporting services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by the Registrant (the "Excluded Assets"). The client or their other advisors that maintain trading authority, and not the Registrant, shall be exclusively responsible for the investment and performance of the Excluded Assets. The Registrant's service relative to the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. The Registrant will not be responsible for any implementation error (timing, trading, etc.) over the Excluded Assets. In the event the client desires that the Registrant manage the Excluded Assets, the client may engage the Registrant pursuant to the terms and conditions of the IAA.

- B. Participation in the Program may cost more or less than purchasing such services separately. Also, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately or if the Registrant were to negotiate transaction fees and seek best price and execution of transactions for the client's account. Clients are responsible for determining whether to enroll in a wrap fee or a non-wrap fee arrangement with the Registrant. The Registrant does not generally review the costs and impacts associated with placing a client in either a Program or non-Program account, and such decision is generally left to each individual client. With respect to the Program, each investment adviser representative ("IAR") will receive a payment for his or her services after the Custodian debits transaction fees and

overrides or other miscellaneous expenses from earned fees. The IAR of record generally does not take into account the fees and expenses incurred in client accounts when providing investment advice through the Program.

- C. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than LPL Financial, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program fee.
- D. Registrant's IARs who recommend the Program to clients generally do not receive compensation as a result of a client's participation in the Program that differs from their compensation for non-wrap fee account management. Each individual IAR will receive a payment for his or her services after the custodian debits transaction fees and overrides or other miscellaneous expenses from earned fees. The IAR generally does not take into account the fees and expenses they incur when providing investment advice.

## **Item 5            Account Requirements and Types of Clients**

The Registrant's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other business entities, profit sharing plans, 401k sponsor plans, individual retirement plans (IRA, SEP, SIMPLE, ROTH IRA).

## **Item 6            Portfolio Manager Selection and Evaluation**

- A. The Registrant may allocate a portion of a client's Program assets among unaffiliated independent investment managers in accordance with the client's investment objectives. In these situations, the Independent Manager shall have day-to-day responsibility for the discretionary management of the allocated assets. The Registrant will continue to monitor and review the Independent Manager's performance, and the client's asset allocation and investment objectives. Factors which the Registrant considers in recommending Independent Managers include the client's investment objectives, and the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research.
- B. The Registrant acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a conflict of interest arises in that the Registrant has a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment advice, brokerage and other services.

As the Program sponsor, the Registrant shall is responsible for the primary management of the Program, including the selection and termination of all Independent Managers. Once selected, Independent Managers will be responsible for day-to-day management and selection of securities for the account.

- C. Certain of our IARs serve as portfolio managers for the Program. Instead of reiterating the information in the Brochure that is found in Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities), that information is incorporated by reference. Clients and prospective clients should review those sections of the Brochure carefully.

## **Item 7            Client Information Provided to Portfolio Managers**

The Registrant shall be the Program's portfolio manager. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objectives. The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.

Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

To the extent the Program utilizes Independent Managers, the Registrant shall provide the Independent Managers with each client's particular investment objectives. Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the Independent Manager within a reasonable period of time.

## **Item 8            Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

## **Item 9            Additional Information**

Instead of reiterating the information in the Brochure that is found in Items 9 (Disciplinary Information), 10 (Other Financial Industry Activities and Affiliations) 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), 13 (Review of Accounts), 14 (Client Referrals and Other Compensation), and 18 (Financial Information), that information is incorporated by reference. Clients and prospective clients should review those sections of the Brochure carefully.