

# BELLEVUE ASSET MANAGEMENT, LLC

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March 12, 2020

This Brochure provides information about the qualifications and business practices of Bellevue Asset Management, LLC. If you have any questions about the contents of this Brochure, you may contact us at (425) 289-1041, or email [mikev@bellevueasset.com](mailto:mikev@bellevueasset.com) or [jillm@bellevueasset.com](mailto:jillm@bellevueasset.com) to obtain answers and additional information. Bellevue Asset Management, LLC is a registered investment advisor with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC).

Additional information about Bellevue Asset Management, LLC is available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

## Item 2 – Material Changes

The date of our previous annual update to our Brochure was February 8, 2019.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bellevue Asset Management is 129194. The Summary of Material Changes is listed as "Exhibit A" to our Brochure. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Mike Vila or Jill McVey at (425) 289-1041, or by email to [mikev@bellevueasset.com](mailto:mikev@bellevueasset.com) or [jillm@bellevueasset.com](mailto:jillm@bellevueasset.com).

BELLEVUE ASSET MANAGEMENT, LLC  
PART 2A OF FORM ADV – FIRM BROCHURE

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#### Item 4 – Advisory Business

**A** Bellevue Asset Management, LLC (“Bellevue Asset Management” “we” “us” and “Advisors”) is an independent financial planning and investment management firm. We are a Washington Corporation registered as an investment advisor under the laws of the Securities and Exchange Commission, with our principal place of business located in Bellevue, Washington. Bellevue Asset Management began conducting business as an independent investment advisory firm in 2003. Mike Vila and Jill McVey are the principals of Bellevue Asset Management both own more than a 25% interest in the firm.

**B** We offer a wide range of investment advisory services to our Clients, including:

- Investment Planning/Investment Policy Statements
- Financial Independence/Retirement Planning
- Capital Needs Analysis (Goal Funding)
- Income Tax Planning
- Estate Planning
- Education Planning
- Risk Management (Life and Disability Insurance)
- Employee Stock Option Planning

To minimize expense for our asset management Clients, we utilize Index Exchange Traded Funds (ETFs), individual stocks, and no-load funds for equity investing. For fixed income, we invest in a variety of instruments from individual corporate and municipal bonds funds to preferred stock to no-load bond funds.

#### FINANCIAL PLANNING:

We also offer financial planning services in conjunction with, or apart from, our asset management services. At the onset of a professional relationship, we meet with each Client to better understand their objectives and concerns. Our objective is to understand a Client’s full financial picture. A customized financial plan is then developed which serves a roadmap for the Client’s investment strategy. The process includes gathering all of the information necessary to provide a Client with appropriate and agreed upon services, and may include one or more of the following: Budgeting and cash flow planning, disability planning and income protection, debt management, estate planning, business succession planning, retirement planning and investment planning. The plan considers all Client assets, liabilities, goals and

objectives. Clients are encouraged to review their plans on a regular basis, based on individual circumstances.

**C** Our investment supervisory services involve providing advice to Clients regarding the most effective investment strategies given a particular Client's personal and business goals. Once a Client agrees to an investment strategy, we take the steps necessary to implement the strategy manage the Client's account on a discretionary basis. This means that we have ongoing and continuous authority to execute investment recommendations in accordance with a Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this discretionary authority, Client allows us to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in matters necessary or incidental to the handling of the account, including monitoring certain assets.

In order to best serve their needs, we encourage our Clients to notify us of any life events or financial changes that could affect their individual financial circumstances and needs.

**D** We do not participate in or sponsor any wrap-fee programs.

**E** Bellevue Asset Management manages \$261,820,715 of Client assets on a discretionary basis and \$0.00 on a non-discretionary basis. This amount was calculated as of December 31, 2019.

## Item 5 – Fees and Compensation

- A** Compensation to us for our services will be calculated in accordance with “Schedule A” of the Investment Advisory Agreement (“IAA”) entered into with each Client. We may amend the IAA and fee schedule upon 30 days prior written notice to Client. Such fees may be paid directly to us from the account by the custodian holding a Client’s assets upon submission of an invoice to the custodian showing the amount of fees, the value of the Client’s assets on which the fees are based, and the specific manner in which the fees are calculated. The payment of fees may result in the liquidation of Client’s securities if there is insufficient cash in the account. Copies of the fee invoices are mailed to Clients as required. In addition to our fees, Clients may be required to pay a proportionate share of any mutual fund’s fees and related charges.

In consideration for our services, Clients pay us a fee quarterly in advance, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter. The market value will be construed to equal the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of this Agreement will be pro-rated based on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

### STANDARD FEE SCHEDULE

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
Under \$500,000	1.75%
\$500,000 to \$1 million	1.50%
\$1 million to \$5 million	1.00%
Over \$5 million	0.75%

Notwithstanding the above, fees are negotiable.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such

date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers.

Bellevue Asset Management also provides “stand alone” financial planning services for our Clients. Fees for planning services are based on an hourly rate of \$200.00 per hour, due at time of service. Along with our professional services, the fee also includes the time and activities necessary to work with a Client’s attorney and/or accountant in reaching agreement on solutions, as well as assisting those advisors in implementation of all appropriate documents. Any fees charged by an attorney or accountant to a Client will be in addition to any fees we may charge.

We also perform certain financial planning projects on a fixed fee basis. Services performed on a fixed fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. All invoices are due within 10 days of invoice. Special arrangement may be made with Clients wishing to retain financial planning services on an ongoing basis.

- B** As noted in the above section, our fees are generally deducted from Client’s assets held with an independent custodian, and paid directly to Bellevue Asset Management based on the Investment Advisory Agreement entered into at the start of our professional relationship. The fee is deducted at the beginning of each quarter. For financial planning and fixed fee arrangements, invoices are sent to the Client (if not paid for at the time of service). We request invoices be paid within 10 days of receipt.
- C** Client’s account custodians may charge fees which are in addition to and separate from the investment advisory service fee we charge. All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to Bellevue Asset Management. Clients bear the responsibility of verifying the accuracy of our fee calculations.
- D** Our policy is generally that fees be paid in advance. Fees for asset management service are billed at the beginning of each quarter. As stated above, fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Quarterly

fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

An invoice will be sent for any fees not directly debited from the Client's account(s). All invoices are due within 10 days of invoice. Special arrangements may be made with Clients wishing to retain financial planning services on an ongoing basis.

- E** Bellevue Asset Management is a fee-only advisor which means we do not receive any compensation from the sale of securities or other investment products.



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

We do not charge any performance-based fees for our services. Accordingly, this item is not applicable to our firm.

### **Item 7 – Types of Clients**

Bellevue Asset Management provides investment advice and portfolio management to individuals, some percentage of who are high net worth individuals, pension and profit sharing plans, trust, estates, charitable organizations, corporations and other business entities.

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

**A** Bellevue Asset Management offers advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
  - Exchange-listed securities
  - Securities traded over-the-counter
  - Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities such as mutual fund shares
- United States government securities
- Options contracts on securities and commodities

Bellevue Asset Management offers a wide range of investment advisory services to its Clients. We primarily engage in fundamental, technical and cyclical analysis for research and review of securities. The main sources of information we rely on to provide advice include financial publications, research materials prepared by others, annual reports, prospectuses, filings with the Security and Exchange Commission, and company press releases. We also subscribe to various professional publications deemed to be consistent and supportive of our investment philosophy.

The primary investment strategies used to implement investment advice given to our Clients include long-term (securities held at least one year); short-term (securities sold within a year) purchases, and option writing, including covered options, uncovered options, or spreading strategies.

Our investment style is based on the belief that economies run in cycles. These cycles affect businesses, the stock market, and interest rates. By understanding how these cycles affect investments, we work to earn steady solid investment returns using conservative technique. We believe in diversification and tax efficiency while keeping transactions costs low.

- B** We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that Client accounts will be profitable over time. Not every investment decision or recommendation made by Advisor will be profitable. Accordingly, Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Therefore, Clients assume all market risk involved in the investment of account assets and understand that investing in securities involves risk of loss that Clients should be prepared to bear.

Except as may otherwise be provided by The Advisers Act of 1940 or other applicable state or federal law, Bellevue Asset Management is not liable to Clients for:

- Any loss that Clients may suffer by reason of any investment recommendation made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a Client's instructions; or
- Any act or failure to act by a custodian of a Client's account(s).

While nothing shall relieve us from any responsibility or liability that may arise under state or federal statutes. It is the responsibility of each Client to provide us with complete information and to notify us of any changes in their financial circumstances or goals.

- C** We do not limit our recommendations to a particular security therefore this Item is not applicable to our firm.

**Item 9 – Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

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

The principal business of Bellevue Asset Management is that of a fee-only registered investment advisor and fee-only provider of financial planning services.

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

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

- A** Bellevue Asset Management has adopted a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. The Advisor's chief compliance officer regularly evaluates employee performance to ensure compliance with the code of ethics. A copy of the Code of Ethics is available to any Client upon request.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. Current or prospective Clients may request a copy of the firm's Code of Ethics by contacting Mike Vila or Jill McVey at (425) 289-1041 or [mikev@bellevueasset.com](mailto:mikev@bellevueasset.com) or [jillm@bellevueassets.com](mailto:jillm@bellevueassets.com).

- B, C** Individuals associated with our firm may buy and sell some of the same securities for their own account that we buy and sell for our Clients. In all instances, where appropriate we will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for his own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases we may buy or sell securities for its own account for reasons not related to the strategies adopted by our Clients.

When we are newly engaged by an investment advisory Client for whom we expect to recommend securities in which an owner, principal or person associated with our firm holds a position, we will notify the new Client of our policies in respect to officers trading for their own account. We will also disclose to Clients any material conflict of interest relating to our firm, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

- D** Occasionally, our firm may recommend, buy and/or sell securities for our personal accounts that we may also recommend for our Client portfolios. There is no conflict of interest or commingling of funds, as the securities are widely held and publicly traded, and we are too small and advisor/investor to affect the market. In such all cases, we place the Client's interest ahead of our own.

## Item 12 – Brokerage Practices

A. Client assets are held by independent third-party custodians. Except to the extent that a Client directs otherwise, we will use our discretion in selecting or recommending the broker-dealer. Clients are not obligated to effect transactions through any broker-dealer recommended by us. In recommending broker-dealers, we will generally seek “best execution.” In recommending a broker-dealer we will comply with our fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price, including transaction costs and other fees charged,
- The custodian’s facilities, reliability and financial responsibility,
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order,
- The research and related brokerage services provided by such custodian to is, notwithstanding that the Account may not be the direct or exclusive beneficiary of such services, and
- Any other factors that we consider to be relevant.

As stated above, recommending a broker-dealer can create a conflict of interest. Accordingly, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, associated person, or employee of Bellevue Asset shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public or reasonable inquiry. No person associated with our firm shall prefer his or her own interest to that of the Client.
2. All Clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
3. We emphasize the right of Clients to decline to implement any advice rendered.
4. We require that all individuals associated with our firm must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.



5. Any individual not in observance of the above may be subject to termination.

Bellevue Asset Management does not have any “Soft dollar” arrangements in place with any broker-dealers or third-parties. However, Bellevue Asset Management generally recommends that Clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co. Inc. (“Schwab”) so long as Schwab continues to meet the above criteria. We work primarily with Schwab for administrative convenience and also because Schwab offers a good value to our Clients for the transaction costs and other costs incurred.

Schwab is a registered broker-dealer and SIPC member. Schwab provides Bellevue Asset Management with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors at no charge to them so long as a total of at least \$10 million of our Clients’ account assets are maintained at Schwab.

Schwab’s services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab also makes available to Bellevue Asset Management other products and services that benefit us but may not directly benefit our Clients’ accounts. Some of these other products and services assist us in managing and administering Clients’ accounts. These include software and other technology that provide access to Client account data (such as trade confirmation and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its Clients’ accounts and assist with back-office support, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab. Schwab, from time to time, may also make charitable contributions to educational institutions with which Bellevue Asset Management personnel or their families are enrolled.

Schwab may also provide us with other services intended to help us manage and further develop their respective business enterprises. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. The availability of the foregoing products and services is not contingent on our committing to Schwab any specific amount of business (such as assets in custody or trading).

- B** Bellevue Asset Management is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients of the Advisor. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained.

### Item 13 – Review of Accounts

- A** Michael Vila and Jill McVey are responsible for overseeing all financial planning and investment advisory activities. On an ongoing basis, we review with our Clients the activity in their accounts and their overall financial situation. In addition, we periodically revisit each Client's goals and objectives to ensure we are on track. This level of attention to each Client's account enables us to respond quickly if there is a change to a Client's financial position.

Investment advisory Clients accounts are monitored on a daily basis with full account reviews performed at least monthly. Clients have the option of meeting with us on a bi-annual basis to review their accounts and financial status.

Financial planning Clients receive their plans and recommendations at time of service. Financial planning Clients are encouraged to have at least bi-annual reviews of their financial plans. We also with Clients on a regular basis (as outlined in the Financial Planning Agreement) to discuss any potential changes to their financial plan.

- B** Special reviews are conducted when material changes occur, such as a change in the Client's investment objectives, tax considerations, large deposits or withdrawals, large sales or purchases, loss of confidence in corporate management, or changes in the macro-economic climate.
- C** Investment advisory Clients will receive standard account statements from the custodian of their accounts. We provide quarterly written portfolio reports to Clients, which include cost basis and aggregate holdings analysis.

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

- A** As disclosed in Item 12 above, we directly or indirectly receive certain economic benefits from Charles Schwab & Co. Inc.
- B** We have no arrangements, written or oral, in which it compensates any individuals or entities for referrals of Clients.

### **Item 15 – Custody**

With the exception of our ability to deduct advisory fees from client accounts and our ability to disburse certain funds pursuant to a Standing Letter of Authorization (SLOA) executed by a Client, we do not have custody of Client assets in the investment account(s) and shall have no liability to Clients for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

#### **Item 16 – Investment Discretion**

As described in Item 4 above, Bellevue Asset Management manages Client portfolios, in accordance with the Client's objectives and suitability, on a discretionary basis. Discretionary authority means we have ongoing and continuous authority to execute investment recommendations in accordance with a Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this discretionary authority, Client allows us to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in matters necessary or incidental to the handling of the account, including monitoring certain assets.

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

Unless specifically directed otherwise in writing by the Client, we are not authorized to receive and vote proxies on issues held in the account or receive annual reports.

**Item 18 – Financial Information**

- A** Bellevue Asset Management does not require prepayment of fees of more than \$1,200 per Client six months or more in advance, therefore disclosures required in this section to not apply to our firm.
- B** As noted in Item 4.E., we do have discretionary authority over Client assets. However, Bellevue Asset Management has no financial commitment which would impair or impede its ability to meet contractual and fiduciary commitments to Clients.
- C** Nobody associated with Bellevue Asset Management has ever been the subject of a bankruptcy petition.



### **Exhibit A – Summary of Material Changes**

This Item discusses only specific material changes that have been made to our Brochure since the date of our last annual update, which was February 8, 2019. Since that date, we have made no material changes to this Brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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