

**ASHWORTH SULLIVAN WEALTH ADVISORS, LLC.  
DBA BLUECHIP WEALTH ADVISORS, LLC.**

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**April 29, 2021**

**This Brochure provides information about the qualifications and business practices of BlueChip Wealth Advisors LLC (“BCWA”). If you have any questions about the contents of this Brochure, please contact us at (770) 771-5812. 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.**

**BlueChip Wealth Advisors is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser. Additional information about BlueChip Wealth Advisors is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 – Material Changes

Ashworth Sullivan Wealth Advisors is now doing business under the name of BlueChip Wealth Advisors.

The Firm previously offered two different advisory accounts under the National Financial Services platform, called the Pinnacle and Apex accounts. Those accounts have been changed to the Wealth Platform—Advisor Managed Portfolios and Wealth Management—Unified Managed Account Program. A description of these two types of accounts and the fees and compensation associated with these accounts are detailed in Item 4 and Item 5.

A copy of BlueChip Wealth Advisor’s ADV Part 2A is available by request without charge to you. Simply email our office at [info@bcwealthadvisors.com](mailto:info@bcwealthadvisors.com) or call us at 770-771-5812 and we will send you a copy. These documents are also available on our website for your review at [www.bcwealthadvisors.com](http://www.bcwealthadvisors.com).

Additional information about BlueChip Wealth Advisors is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site provides information about any persons affiliated with BlueChip Wealth Advisors who are registered, or are required to be registered, as investment adviser representatives of BlueChip Wealth Advisors.

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## Item 4 – Advisory Services Business

BlueChip Wealth Advisors, LLC (“BCWA”) BCWA was established in April 2007 and approved as a Registered Investment Adviser in August 2009. Marcus Ashworth and Casey Sullivan each hold a 50% ownership stake in BCWA.

Below is a description of the investment advisory and financial planning services offered by BCWA, including, but not limited to, BCWA’s fee schedules, a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more detail on any product or service please reference your advisory agreement, wrap brochure (if applicable) or BCWA Investment Advisory Representative (“IAR”).

For its investment advisory clients, the firm presently offers the following types of advisory services:

- I. BCWA Advisor Managed Accounts – (BCWA – AMA)
  - a. National Financial Services Platform (NFS)
  - b. TD Ameritrade Platform (TDA)
  - c. Charles Schwab & Co. (Schwab)
  - d. SEI Private Trust Company (SEI)
- II. BCWA Third Party Managed Fee Accounts (BCWA-TPMA)
  - a. National Financial Services Platform (NFS)
  - b. SEI Private Trust Company (SEI)
  - c. Charles Schwab & Co. (Schwab)
- III. Financial Planning

BCWA provides continuous and regular investment advisory services to clients in connection with establishing and monitoring of client investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, ’s IARs may provide clients information and research about investment products and strategies, and review portfolio performance reports. Clients have the opportunity to place reasonable restrictions or constraints on the way their account is managed; however, such restrictions may affect the composition and performance of an individual client’s portfolio. For these reasons, performance of the portfolio may not be identical with the average client of BCWA.

Through BCWA’s Advisory Services, investment supervisory services are primarily through “Advisor Managed Fee Based Accounts” and “Third Party Managed Fee Accounts”, which include separately managed accounts (SMA’s). Services provided under some or all of these options may be available from other providers for lesser fees. In addition, clients may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of certain Programs without incurring the Program fees.

Below are descriptions of the accounts or services that BCWA offers, the basic management fee structures and any unique characteristics. For a more complete discussion and disclosure regarding any Account’s services or fee structure, BCWA will provide the client a detailed advisory agreement and/or the third-party investment manager’s ADV Part 2A and wrap fee brochure, as applicable.

## I. BCWA Advisor Managed Accounts (BCWA-AMA)

Advisor Managed Accounts are based on the individual objectives of each client portfolio and may or may not represent the overall objectives of the clients' total investments. BCWA recommends and employs various investment strategies. BCWA-AMA accounts are designed to provide discretionary management by an Advisor of the firm. BCWA assists each client in formulating investment objectives and manages the account within established guidelines regarding, among other matters, diversification and designation of securities that may be purchased. As part of this service, each client portfolio is tailored to their particular investment needs and circumstances. This includes discretionary investment management in accounts based on the client's risk strategy (from conservative to aggressive), which is selected with the client's input and incorporated into the account agreement. The available risk strategies correlate to asset allocation models developed by BCWA based on target allocations for various asset classes and sub-classes.

The Advisor-Managed Accounts give our IARs the ability to customize asset allocation, investment selection, and investment strategies to meet each client's individual financial situation and investment objectives. Accounts are periodically rebalanced toward their asset allocation target, or reallocated based upon changes to the client's risk tolerance or investment committee monitoring results. Several factors influence the IARs selection of the account structure, including but not limited to 1) client's preference for a "wrap" vs. transaction charges per trade on certain or all securities, 2) account size, 3) anticipated trading frequency, 4) anticipated securities to be traded, 5) management style and/or 6) tax sensitivity. In each account structure, the IAR may manage and provide advice on mutual funds, stocks, bonds, ETFs, LPs, SMA's, UIT's and options.

- 1) **NFS PLATFORM**: The NFS Platform offers various account structures that allow our Representatives to meet the investment needs and preferences of their clients. The Accounts are designed to allow BCWA discretionary management of BCWA model portfolios, and specialized client-specific portfolios.

### a. **WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS**

The Wealth Management Platform – Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through National Financial Services, Inc. ("NFS"). Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that you and your Advisory Representative have together regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation, we construct a portfolio of investments for you. Your Advisory Representative has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds, and other securities ("Program Investments") which are based on your investment goals, objectives, and risk tolerance. Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. For further

Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

b. **WEALTH MANAGEMENT PLATFORM– UNIFIED MANAGED ACCOUNT PROGRAM (“UMA”)**

provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee. After you discuss your financial goals and objectives with your Advisory Representative, we will recommend an asset allocation model (“UMA Model”) to you which will consist of: a) Investment Strategies serviced and created by investment managers or your Advisory Representative that generally consist of a selection of mutual funds, exchange traded products, equities, and or bonds; b) Mutual funds and ETFs (“Funds”); c) or a combination of the preceding bundled together in an investment asset allocation model.

We will recommend a UMA Model to you based on your responses to a Questionnaire and discussion that we have together regarding among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation. In addition, you can place reasonable restrictions on investments held within your UMA account. All recommendations in the UMA are made on a discretionary basis, which means your Advisory Representative can act without your prior approval. For further UMA details, please refer to The Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in UMA. Please read it thoroughly before investing.

- 2) **TDA PLATFORM:** The TDA Platform allows our IARs to meet the investment needs and preferences of their clients. The Accounts are designed to allow BCWA discretionary management of BCWA model portfolios, specialized client specific portfolios, BCWA selected separately managed accounts (SMA) or a combination of the above.

This Non-Wrap account has a negotiable \$100,000 account minimum and advisory fees are negotiable. In this account, clients will be charged the advisory fee plus transaction fees, though there are many mutual fund and ETF selections which do not incur a transaction fee. It will incur manager fees where third-party money managers are used.

- 3) **SCHWAB PLATFORM:** The Schwab platform provides advisory services, giving continuous advice based on the client’s individual needs through personal discussions in which goals and objectives based upon the client’s personal objectives are established. Most accounts are managed on a discretionary basis, meaning that the advisor has discretion over what securities to buy and sell. However, clients may elect to have their account managed on a non-discretionary basis, meaning that the client must consent to each trade in the account. This trading discretion and any limitations on it will be set forth in the client agreement. The services provided are the same regardless of the account structure selected.

Depending on the client’s investment objectives, the advisor may manage and provide advice on mutual funds, stocks, bonds, exchange traded funds (ETFs), LPs, and options. Alternative

investments may be recommended to qualified investors based on the client's objectives and risk tolerance. Alternative investments could include real estate, Private Equity, Hedge Funds, Commodities, etc. Alternative Investments can provide diversification benefits to traditional portfolios of stocks and bonds.

- 4) **SEI PLATFORM:** The SEI platform provides advisory services, giving continuous advice based on the client's individual needs through personal discussions in which goals and objectives based upon the client's personal objectives are established. Most accounts are managed on a discretionary basis, meaning that the advisor has discretion over what securities to buy and sell.

Depending on the client's investment objectives, the advisor may manage and provide advice on mutual funds, stocks, bonds, exchange traded funds (ETFs), LPs, and options. Alternative investments may be recommended to qualified investors based on the client's objectives and risk tolerance. Alternative investments could include real estate, Private Equity, Hedge Funds, Commodities, etc. Alternative Investments can provide diversification benefits to traditional portfolios of stocks and bonds.

## **II. BCWA Third Party Managed Accounts (BCWA-TPMA)**

Third Party Managers are evaluated by the BCWA Investment Committee for client use. The service includes assisting clients in identifying their investment objectives and matching personal and financial data with a list of investment managers that meets the BCWA Investment Committee's minimum quantitative and qualitative criteria. The intent of the program is to provide a select list of quality and recognizable investment management firms from which one or more managers are selected to handle the day-to-day management of the client's account(s). BCWA-TPMA Accounts may utilize ETF, Mutual Fund, SMA, Equities, Bonds, Alternatives, and other types of investments.

Among the criteria that may be considered for inclusion in the BCWA-TPMA program are the manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, expenses, and the general investment process. Each client must have a profile that matches the advisors stated objectives.

When recommending outside investment managers, the firm first analyzes the client's investment objectives, risk tolerance and existing portfolio, if applicable, to determine the investment style that will best facilitate the desired diversification and tax situation of the portfolio. The firm then identifies strategies or managers who exhibit the desired investment attributes. The firm helps the client measure the performance of the managers by making comparisons to appropriate benchmarks. Depending on client objectives, the firm advocates an active/passive investment strategy using a diversified approach.

The firm may at any time terminate the relationship with a third-party manager that manages clients' assets. Factors involved in the termination of an advisor may include a failure to adhere to management style or clients' objectives, a material change in the professional staff of the advisor, unexplained poor performance, dispersions of client account performance, or the firm's decision to no longer include the advisor as one of its preferred program managers.

Clients are advised and should understand that:

A manager's past performance is no guarantee of future results. There is a certain market and/or interest rate risk which may adversely affect any advisor's objectives and strategies and could cause a loss in a client's account(s); and Client risk parameters or comparative index selections provided to the firm are guidelines only - there is no guarantee that they will be met or not be exceeded.

Accounts in the BCWA-TPMA program are managed by the selected independent manager. Information collected by BCWA regarding selected managers is believed to be reliable and accurate, but the firm does not independently verify it on all occasions. All performance reporting will be the responsibility of the respective manager and is provided directly to the clients and the firm. The firm does not audit nor verify that these results are calculated on a uniform or consistent basis as provided by a manager directly to the firm or through the consulting service utilized by the manager or the firm.

The minimum account size will vary from manager to manager. All such minimums will be disclosed in the respective manager's ADV document. The firm may have the ability to negotiate such minimums. Third Party Managers are available at NFS, Schwab and SEI.

### **III. Financial Planning**

Upon specific requests by the client, the Firm may provide either financial consulting or a comprehensive financial plan tailored to meet the client's needs and financial objectives as described by the client. During meetings with the client, the investment philosophy, risk tolerance, investment objectives, financial position, insurance needs, tax objectives, trust and estate issues are discussed.

Depending upon the scope of the engagement and specific requests by the client, the Firm may provide a written plan which reviews client's current situation and recommends a financial strategy consistent with the client's stated financial and personal goals. Additional services may include drafting an investment policy statement, developing asset allocation guidelines and strategies, developing insurance and gap analysis, drafting of an estate flow chart, net worth statement, cash flow statements, retirement strategy and estate plans. The advisor may also recommend money managers and provide performance measurement of money managers. The Advisor may charge an hourly or per-project fee to be determined based upon the specifics of the project.

The firm encourages clients to use the services of an estate attorney and does not render legal advice. The firm also will not advise the client or act for the client in any legal proceedings, including bankruptcies, involving securities held or previously held, or the issuers of those securities. The firm will not vote proxies for securities held in client accounts.

In addition to the aforementioned services, BCWA may offer investment data storage and periodic comprehensive reporting services through e-Money which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by BCWA (the "Excluded Assets"). Should the client utilize these reporting services, the client acknowledges and understands that with respect to the Excluded Assets, BCWA's service is limited to reporting and data storage services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, BCWA will not be responsible for the investment performance of the Excluded Assets. If the client requests BCWA to provide investment management services with respect to the Excluded Assets, the client may engage BCWA to do so for a separate and additional fee.

As of December 31, 2020 BCWA, held \$198,370,019 in assets under management on a discretionary basis.

## Item 5 – Fees and Compensation

The specific manner in which fees are charged by BCWA is established in a client's written agreement. BCWA's Portfolio Management Fees and those of a Third-Party Manager (where applicable) are based on the assets in the account per the fee schedule, or in some instances using a flat fee. Either way, fees may be negotiated. Financial Planning and Consulting Fees are based on an hourly rate or flat project fee based upon the specifics of the project.

BCWA provides investment management services for an annual fee based upon a percentage of the market value of the assets in each client account. The advisory fee is negotiable depending on the representative providing the management services, the market value of the account, asset types, complexity of your portfolio, services desired, your financial situation, and level of trading activity. It is important to note that it is possible that different investment advisor representatives may charge different fees for providing the same types and level of service to clients. The annual fee is divided and paid quarterly in advance (NFS, Schwab) or arrears (TDA, SEI) through a direct debit of your account. The account fee includes an annual review as described in Item 13; and additional periodic reviews and/or performance reports are available for a fixed fee of \$250 each.

### I. BCWA ADVISOR MANAGED ACCOUNTS (BCWA-AMA)

The basic asset-based management fee schedule for AMA is follows:

<u>Portfolio Value</u>	<u>BCWA Fee</u>
< \$999,999	1.75%
\$1,000,000 - \$2,999,999	1.5%
\$3,000,000 +	Negotiable

BCWA-AMA accounts may be custodied with National Financial Services LLC ("NFS"), TD Ameritrade, Inc. ("TDA"), SEI Private Trust Company ("SEI"), or Charles Schwab & Co. ("Schwab"). Fees will be charged differently depending on the platform selected. Fees above are based on the value of each client's account, and accounts are not aggregated by default in a household for billing purposes.

#### 1. NFS PLATFORM:

##### a. **WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions ("Wrap Account"). We also offer Advisor Managed Portfolios with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you will also pay separate per-trade transaction charges. You will pay a monthly or quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar month or quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received. Each of our Advisory Representatives negotiates his or her own account fee schedule. Mutual funds and ETFs invested in the account have their own internal fees which



are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the Funds. In certain instances, there is opportunity to be eligible to purchase certain mutual funds and ETFs without incurring transaction charges subject to certain conditions. For details, please refer to Item 4 (No Transaction Fee Programs) of the Advisor Managed Portfolios wrap fee brochure. For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Advisor Managed Portfolios Wrap Fee Program Brochure.

**b. WEALTH MANAGEMENT PLATFORM – UNIFIED MANAGED ACCOUNT PROGRAM**

We offer UMA as an account where no separate transactions charges apply, and a single fee is paid for all advisory services and transactions ("Wrap Account"). You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. If you terminate your participation in this program, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received. Each of our Advisory Representatives negotiates his or her own account fee schedule. The account fees paid by client include portions paid to your Advisory Representative ("Advisory Fees"), as well as to the Firm, the custodian, and the third-party money managers selected ("Program Fees"). Advisory Fees are set independently regardless of manager selected. Mutual funds and ETFs invested in the account also have their own internal fees ("internal fund expenses") which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your UMA account are comprised of both Program Fees and Advisory Fees, Advisory Representatives may have an incentive to select third party money managers with lower Program Fees in order to manage the overall fee charged to you. You and your Advisory Representative should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments. For complete fee details, including account fee schedule guidelines, please refer to the Wealth Management Platform – Unified Managed Account Wrap Fee Program Brochure.

2. **TDA PLATFORM:** BCWA's fees are payable quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending balance. Certain third-party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV, Wrap Brochure, and advisory agreement provided to the client.
3. **SCHWAB PLATFORM:** BCWA at its discretion, negotiates special fee arrangements where BCWA deems it appropriate under the circumstances. Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s) unless other arrangements are made.

Either BCWA or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the

account was managed, and any fees due to BCWA from the client will be invoiced or deducted from the client's account prior to termination.

4. **SEI PRIVATE TRUST COMPANY PLATFORM:** BCWA's fees are payable quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending balance. Certain third-party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV, and advisory agreement provided to the client.

## II. **BCWA THIRD PARTY MANAGED (BCWA-TPMA)**

The basic asset-based management fee schedule for AMA is follows:

<u>Portfolio Value</u>	<u>BCWA Fee</u>
< \$999,999	1.75%
\$1,000,000 - \$2,999,999	1.5%
\$3,000,000 +	Negotiable

The Fee Schedule above represents the advisory fee charged by BCWA on each client account. Clients will pay an additional fee to the third-party manager as outlined in each respective manager's Form ADV and Advisory Agreement; such fee is in addition to BCWA's fee. Fees above are based on the value of each client's account, and accounts are not aggregated by default in a household for billing purposes.

A client may terminate their relationship in accordance with the respective managers' disclosure documents. Pre-paid fees will be refunded in accordance with the respective manager's agreement and disclosure documents. BCWA-TPMA accounts may be custodied with National Financial Services LLC ("NFS"), TD Ameritrade, Inc. ("TDA" or "TD Ameritrade"), or SEI Private Trust Co. ("SEI"). Fees will be charged differently depending on the platform selected.

1. **NFS PLATFORM:** BCWA's fees and those of a third-party manager are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement. If an account is opened in the first or second month of a quarter, it will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was open based on the start date through the end of the quarter. BCWA's fee will be based on the average daily balance of the account during the first partial month. If an account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first will be for its partial quarter, the second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, BCWA's fees are calculated at the end of the quarter and charged during the first month of the quarter based on the average daily balance of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subject to the same billing procedures. BCWA-TPMA fees are either tiered or blended as described in their advisory agreement.
2. **SCHWAB PLATFORM:** BCWA's fees and those of a third-party manager are payable quarterly in advance and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending balance. Certain third-party managers may calculate

their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV and advisory agreement provided to the client.

3. **SEI PLATFORM:** BCWA's fees and those of the third-party manager are payable quarterly in arrears and automatically deducted from the account pursuant to the advisory agreement. All quarterly fees will be charged in the current quarter for the prior quarter based on the prior quarter's ending market value.

### **III. FINANCIAL PLANNING FEES**

Depending upon the scope of the engagement and specific requests by the client, the firm may charge on an hourly rate of \$175-\$350 per hour, or a fixed price based upon the extent of the planning project. The fees will be negotiated prior to contracting with the client, and the agreed upon fee payable upon completion of the services provided. Should a client be dissatisfied with the services rendered, BCWA may refund part, or all of the fees paid, at management's sole discretion.

Fees for comprehensive financial planning services may be done on a quarterly fixed fee. This program will allow for a strategic action plan to be developed and implemented as well as address the specific areas requested or identified by the client. The actual fee is established after the initial concept or fact-finding meeting. The quarterly retainer fee is due at the time of the engagement and at the beginning of each 3-month period thereafter. The client may terminate the relationship at any time; however, no refunds are provided.

### **AGGREGATED ACCOUNT & PERFORMANCE REPORTING FEES**

Clients in the BCWA-AMA and BCWA-TPMA programs may elect to receive performance reports and aggregated account reports as indicated in their advisory contract. Clients who receive performance reports will be charged up to \$100 per account per year and will be billed directly by BCWA, in advance, on a quarterly basis.

### **WEALTH MANAGEMENT PORTAL SUBSCRIPTION**

Clients have access to BCWA's private and secure on-line wealth management portal where clients can link all their financial information in one area for a complete financial picture of everything they own and their net worth. Their data is consolidated into a personal website where all their financial accounts are updated throughout the day. They can monitor cash flow, create budgets, and store important documents in their own digital vault. This is a non-transactional system. The fee is up to \$500 per year and is billed quarterly in advance.

General Disclosures: Although BCWA believes its fees are reasonable considering the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with brokerage services purchased separately. The comparison is dependent upon several factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an account.

### **ACCOUNT TERMINATION**

If the ADV disclosure document was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to

the contract have signed the contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Fees will be prorated based on the number of days the Account is under BCWA's management for any Agreement that comes into effect or is terminated during a quarter. In addition to BCWA's management fee, clients with SMA'S and/or Third-Party Managed Accounts will also bear other charges imposed by the custodian of their account or by other third parties relating to their account or transactions effected in the account. Such charges may include, but not be limited to, brokerage commissions, ticket charges, wire transfer charges, custodial fees, activity fees, termination fees, postage and handling fees and other transaction or account related fees and charges. Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, BCWA and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances.

Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. BCWA and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

## **Other Fees**

In addition to the advisory fees paid to BCWA, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses, 12(b)-1 fees), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Some mutual funds within this program pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian or third-party investment manager. The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. Typically, BCWA does not recommend mutual funds that charge 12(b)-1 fees when other share classes are available. However, there are instances in which the BCWA would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to BCWA due to investment minimums. In other cases, mutual funds charging 12(b)-1 fees are transferred into BCWA. In which case the Firm may recommend the client holds the existing share class, instead of selling the fund and buying a lower-cost share, which could result in a tax liability. Mutual funds

charging 12(b)-1 fees will be recommended when the overall cost is seen as a benefit to the client if the anticipated transaction fees exceed the anticipated 12(b)-1 fees. When recommending a particular mutual fund share classes, the different available share classes are compared and reviewed along with the anticipated investment timeframe, potential tax consequences, future anticipated transactions, and other costs to determine the best selection for the client at that time. BCWA does not receive any part of the fees charged by Mutual Funds.

The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. In this case, the advisory fee charged may be more than the effective annual rate in the fee schedule above. In certain cases, the client may give BCWA's IAR or a third-party money manager discretionary authority to more actively manage the client's assets. This authority is disclosed in the applicable advisory agreement.

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

BCWA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Some third party and hedge fund managers may, however. Those fees, if applicable, are disclosed in their respective Disclosure Brochures.

## **Item 7 – Types of Clients**

BCWA provides portfolio management services to individuals, corporations and business entities, government entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, and trusts. The minimum account size is specified in Item 4 and varies based on the account program selected. BCWA has the discretion to waive the account size minimum. For any third-party manager programs, account minimums may vary by manager and such information is disclosed in the manager's respective Brochure (Form ADV).

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term trading of stock portfolios, mutual funds and fixed income securities, option transactions and may include margin transactions. Investment recommendations are based on an analysis of the client's individual needs and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that clients should be prepared to bear. Though the goal of the firm is to find quality investments and proper allocation strategies, there is no guarantee that the goal will be met, and/or that the value of investor portfolios may not decline in value during any given period. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These

risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BCWA or the integrity of BCWA's management. BCWA has no information applicable to this Item.

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

Certain BCWA personnel are also registered representatives of Triad Advisors, LLC ("Triad Advisors"), a registered broker-dealer. In that capacity, they may be paid commissions, brokerage fees, 12b-1 fees or other fees or payments for their brokerage clients, which may include clients who are also clients of BCWA. These arrangements pose a conflict of interest for those individuals to the extent they have a financial incentive to recommend such sales or other transactions to the client. In their capacities as registered representatives, clients will be charged separately from their advisory services. Additionally, individuals are separately licensed as insurance agents with Highland Capital

Brokerage and Ash Brokerage. Highland Capital Brokerage and Ash Brokerage are registered insurance agencies engaging in Life, Health, Disability, Long Term Care and Variable Insurance business. Highland Capital Brokerage and Ash Brokerage are affiliated with Triad Advisors. Variable products will be offered through the broker-dealer. Non-variable products will be offered through the insurance agency. Compensation will be paid directly by these entities.

When applicable, these individuals may recommend insurance or broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of BCWA spend 30% of their time on other such activities.

BCWA may require that clients establish brokerage accounts with National Financial Services, LLC ("NFS"), a Fidelity Investments company, Charles Schwab & Co. ("Schwab") or TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. BCWA is independently owned and operated and not affiliated with either NFS, a Fidelity Investments company, Charles Schwab & Co., or TD Ameritrade. Item 12 includes additional details regarding brokerage practices and related disclosures.

### **Item 11 – Code of Ethics**

BCWA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at BCWA must acknowledge the terms of the Code of Ethics annually, or as amended.

BCWA's employees and persons associated with BCWA are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of BCWA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, such as mutual funds and UITs have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of BCWA's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between BCWA and its clients. BCWA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jessica Vickery at our main number.

### **Item 12 – Brokerage Practices**

We recommend the brokerage and custodial services of TD Ameritrade, Inc. ("TD Ameritrade"), SEI Private Trust Co. ("SEI"), Charles Schwab & Co. ("Schwab"), or National Financial Services LLC ("NFS"), a Fidelity Investments company. TD Ameritrade, SEI, Schwab, and NFS are a registered broker-dealer that charges brokerage commissions or transaction fees for effecting securities transactions. As the custodian holding an account, TD Ameritrade, SEI, Schwab, and NFS do not generally charge separately for custody services. They are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed, which are included when wrap fees are charged.

The Custodians make products and services available to BCWA that benefit BCWA but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of BCWA accounts. Some of these products and services provided includes software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of BCWA fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. For broker-dealer services, the Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid to advisers for broker-dealer services may be higher or lower than those paid by other brokers. There may be situations where an Advisor is also a Series 7 Registered Representative with Triad Advisors may be entitled to certain trailers or fees paid by a third-party product provider. Transactions are done solely as a Registered Representative and are not in the capacity as an Investment Advisor. This includes situations where commissions are paid rather than advisory fees, including private placements and insurance products. Triad Advisors requires brokerage accounts to be opened through NFS or directly with the issuer.

We recommend the services of TD Ameritrade, Schwab, and SEI for advisory services based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, household preference and management. TD Ameritrade and Schwab are typically recommended for BCWA-AMA accounts. SEI is typically recommended for BCWA-TPMA accounts.

Clients may direct BCWA to use NFS as their Custodian for BCWA-AMA accounts. Clients may direct us to NFS when they have a historical relationship with NFS; or when they have existing brokerage accounts held through NFS that they wish to household with their advisory accounts; or based on other factors important to them. All trade orders are routed to the selected Custodian to execute transactions. By directing brokerage, we may not be able to achieve the most favorable execution of client transactions and this practice may cost clients more money. BCWA conducts best execution testing on advisor management accounts which hold equity securities, closed end funds ("CEFs"), and/or exchange traded funds ("ETFs") securities; however, such testing is not conducted on third party managed accounts or those using mutual funds or unit investment trusts ("UITs").

### **Item 13 – Review of Accounts**

Accounts are assigned to investment advisors who are responsible for performing periodic reviews of the account and consult with the respective client of the account. Following these reviews, service reports are prepared to assist principals in supervising and monitoring the account. Factors that are considered include but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. BCWA audits client fee billing on a quarterly basis.

Additional periodic reviews and/or performance reports available for a fixed fee of \$250 each.



Client agrees to inform the firm in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

Clients may elect to receive performance reports and aggregated account reports as indicated in their advisory contract. Clients who receive performance reports will be charged up to \$100 per account per year, and will be billed directly by BCWA, in advance, on a quarterly basis. Item 15 contains information regarding the custody reports provided.

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

BCWA does not receive any compensation or economic benefit for providing investment advice from anyone other than our advisory clients. BCWA does not compensate non-advisory persons for client referrals.

## **Item 15 – Custody**

Clients should receive statements at least quarterly from NFS, Schwab, TD Ameritrade, or SEI, the qualified custodian that hold and maintain your investment assets. BCWA urges you to carefully review such statements and compare the official custodial records to the account statements that we may provide you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

BCWA receives discretionary authority in writing as part of the investment advisory agreement. BCWA has authority to supervise and direct on an ongoing basis the investments of the client in accordance with the client's predetermined investment objectives and guidelines or the client's written Investment Policy Statement. BCWA is authorized, in its discretion and without prior consultation with the client to: (1) buy, sell, exchange and otherwise trade any stocks, bonds, SMAs or other securities or assets, and (2) determine the amount of securities to be bought or sold. Any limitations to such authority will be communicated by the client to BCWA in writing.

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

As a matter of firm policy and practice, BCWA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. BCWA may provide advice to clients regarding the clients' voting of proxies. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

## **Item 18 – Financial Information**

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about BCWA's financial condition. BCWA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of any bankruptcy proceeding.

## Privacy Policy

BlueChip Wealth Advisors LLC (“we” or “us” or “our”) collects nonpublic personal information about you from the following sources: Information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us.

### Our Pledge to You

We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.

### Our Relationship with Triad Advisors, LLC

We have a relationship with Triad Advisors, LLC (“Triad”), a broker/dealer and investment adviser registered with the United States Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA). Many of our customers have accounts with Triad. If you have an account with Triad, we may disclose your information to Triad or receive information about you from Triad. This exchange of information allows us to service you and your account.

### Privacy Policy of Triad Advisors, LLC

Triad is committed to maintaining the trust and confidence of customers. Triad makes its privacy policy available to you so that you will understand how Triad protects your privacy when it collects and uses your information in the course of business. We encourage you to review Triad’s Privacy Policy to fully understand the safeguards taken to protect your personal information. For any questions regarding Triad’s Privacy Policy, please contact the Triad Compliance Department at 888-713-5445.

**Questions?** If you have any questions concerning our privacy policy, please call us at (770) 771-5812 or email [info@bcwealthadvisors.com](mailto:info@bcwealthadvisors.com).