

# Centimillionaire Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Centimillionaire Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (305) 333-1155 or by email at: Richard@Centimillionaires.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Centimillionaire Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Centimillionaire Advisors, LLC's CRD number is: 299484.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Centimillionaire Advisors, LLC 04/09/2021 are described below. Material changes relate to Centimillionaire Advisors, LLC's policies, practices or conflicts of interests.

- Centimillionaire Advisors, LLC has updated its primary office address and added mailing address (Cover Page).
- Centimillionaire Advisors, LLC has transitioned to SEC registration.
- Centimillionaire Advisors, LLC has updated the description of its services, fees, and conflicts of interest.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Centimillionaire Advisors, LLC (hereinafter “CA LLC,” “we,” “the firm”) is a Limited Liability Company organized in the State of Florida. The firm was formed in February 2019, and the principal owner is Richard Carroll Wilson.

### B. Types of Advisory Services

#### Investment Deal Sourcing

**CA LLC specializes in sourcing niche industry specific direct investment deal flow and offers related insights, tools, and resources geared towards ultra-wealthy families. We operate as an “internet investment adviser,” meaning our investment advice is provided online only, via a matching algorithm designed to pair clients with appropriate deals.**

We have found many ultra-wealthy families need to improve their direct investment deal flow programs. And we have seen the result of this -- families are investing without a strategy, without a focus, with no defined strike zone. Worse than not having great direct investment deal flow, many don’t know what deals they should be investing in and why. CA LLC’s intake form aims to explore what hasn’t worked to date, how your wealth was created, and what are the top priorities in regard to family needs. Whether you are experienced or just starting to move up the learning curves of managing your own direct investments, we can assist with originating deals both from our rolodex of family office relationships and through proactive deal origination processes by leveraging our team. We offer predominantly third party-investments, but will occasionally manage deals directly; any such in-house deals are disclosed to the client. The goal is to provide a collection of deal options tailored to clients based on their responses to our intake form.

CA LLC does not take on investment discretion for clients and does not manage the client’s overall financial situation. Instead, we seek to provide access to deals that for the client to consider within their overall investment portfolio. To be clear, we do not advise on the client’s total investment portfolio, retirement plans, or any other aspect besides sourcing for them these potential investments. While what we offer is not a full spectrum solution, this allows us to specialize in direct investment deal flow based on who are clients are and where they want to go with their portfolio.

Because of its focus on direct investment deal flow, CA LLC generally limits its advice to direct investments, which may include private equity funds, real estate funds, real estate assets, operating business investments, oil & gas investments, or other alternative or direct to asset investments. CA LLC may recommend other securities as well, but typically is not advising on stock portfolios, ETFs, bonds, mutual funds, etc.

### Solicitor / Selection of Other Adviser Services

For clients looking for an investment professional to provide additional investment advisory services, we also recommend certain third-party investment advisers. These are firms that may offer more typical advisory services and have an arrangement with CA LLC to share fees if you do end up selecting them as your investment adviser. The recommendation is made via our online interface, after which you as the prospective client would contact the adviser to discuss and assess its offerings.

For these relationships, CA LL serves solely as the introducing/soliciting adviser and does not provide any other investment advisory services. As such, we do not recommend specific securities or otherwise furnish investment advice.

### **C. Client Tailored Services and Client Imposed Restrictions**

CA LLC does not tailor different investments for each individual client, but rather has a selection of direct investments that it offers to clients. Certain investments may be more fitting for certain types of clients and, depending on the client's intake form, different investment options may be presented to different clients based on CA LLC's algorithm.

Since we do not have investment discretion, clients are able to choose the investments they want, meaning they can freely impose investment restrictions in accordance with their values or beliefs.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. CA LLC does not manage or sponsor a wrap fee program.

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

We do not categorize the assets we advise on as regulatory assets under management due to the nature of our advisory operations. Rather, CA LLC provides access to direct investments via its online platform.

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### Investment Deal Sourcing

1. Whenever possible we implement performance only fees (typically 10%) when it comes to our direct investment programs built for families. This would mean

that there are no acquisition, management, disposition, or asset management fees; just a 10% performance fee on cash distributions and gains in asset value netted out by any realized losses over the entire set of investments we have originated for you. For more time-intensive investments, CA LLC will charge a performance fee up to 20%. The fee is negotiable, based primarily on the size and type of client. For smaller investors who are not qualified clients we charge a negotiable one time advisory fee of 5-10% at the start of the investment which covers the entire 1-10 year investment period, so it averages out to around 1-3% per year on average in our direct investments.

Clients will need to continue paying performance fees on cash flows and their net exit gain beyond the length of the contract for any investments made while under contract with CA LLC. Terminating the contract does not release them from the terms or fees due from investments made while the contract was in force.

CA LLC is not paid a success fee or investment banking fee by outside companies to help them raise capital; we only get paid by our clients in the form of a performance fee ("profit share" as we commonly refer to it) only on cash flow distributions and net exit gains coming out of investments we recommend.

The final fee schedule will be memorialized in the client's advisory agreement. CA LLC services may be canceled with 15 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the client contract up to and including the day of termination.

#### Solicitor / Selection of Other Adviser Services

CA LLC is compensated via a fee share from the third-party adviser for its solicitor services. The final fee that client pays will be memorialized in an advisory agreement between the client and the third-party adviser.

### **B. Payment of Fees**

Our advisory fees are normally either collected directly from the investment firm or invoiced to the client. To do this, we require communication and transparency with the investments firms in which capital is placed. Fees are typically quarterly in arrears for any cash flow distributions, cash disbursements, profits, or exits over the applicable quarter.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e., third-party adviser fees, custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CA LLC.

## **D. Prepayment of Fees**

CA LLC typically collects fees in arrears, as indicated above.

## **E. Outside Compensation for the Sale of Securities to Clients**

Neither CA LLC nor its supervised persons accept compensation for the sale of investment products. The firm does, however, charge a performance-based fee based on the results of its recommended investments.

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

CA LLC manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may also manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because CA LLC and/or its supervised persons have an incentive to favor accounts for which CA LLC receives a performance-based fee. CA LLC addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees.

Additionally, clients paying a performance-based fee should be aware that investment advisers have an incentive to recommend riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## **Item 7: Types of Clients**

CA LLC generally provides advisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Ultra-Wealth Investors
- ❖ Single Family Offices
- ❖ Wealth Advisors & Multi-Family Offices
- ❖ Investment Sponsors & Funds

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

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis & Investment Strategies*

CA LLC's primary method of analysis is fundamental analysis. **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. The firm's primary investment focus is long term investing.

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

### B. Material Risks Involved

#### *Methods of Analysis*

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

#### *Investment Strategies*

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

**Selection of Other Advisers:** CA LLC's selection process cannot ensure that money managers will perform as desired and CA LLC will have no control over the day-to-day operations of any of its selected money managers. CA LLC would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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



### **C. Risks of Specific Securities Utilized**

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

Direct investments may include private equity funds, real estate funds, real estate assets, operating business investments, oil & gas investments, or other alternative or direct to asset investments. These have less liquidity than typical public market investments, targeted holding periods or investment periods may be extended during downturns, and the ultimate management and return of capital is done by the investment manager and not CA LLC (which helps oversee the selection and identification of these direct investment providers). Moreover, capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment. Each investment is diligenced on its own merit and, as always, the risk of each is unique and varied.

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

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

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

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

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

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

Richard Carroll Wilson is CEO of CA LLC. He has several business holdings outside of the firm. These include our direct ownership and operating companies in the area of data research, self-paced training programs, and event and conference business, and a consumer products business. **Mr. Wilson also runs the Family Office Club, an investor and investment firm community which hosts many live events per year. It is in part through running these events and providing thought leadership through websites such as <http://FamilyOffices.com> and <http://CapitalRaising.com>, that CA LLC is able to source deal flow, as investment opportunities are regularly presented to the Family Office Club.**

This creates a conflict of interest that we are disclosing here, as someone could be paying for access to those events, to sponsor those events, to access those capital raising workshops, or to use a related investor relations agency (PitchDecks.com), and then also become a client of CA LLC or a potential investment for CA LLC clients.

Specifically, a significant conflict of interest is that we would try to please a sponsor or paying member of the Family Office Club by connecting them to our clients. CA LLC clients should be aware of this and it is being brought to your attention so we can address it directly. We genuinely want to work with investment firms on both sides that are credible, well established, have a good track record, are stable as a team and individuals, and have unique/compelling offerings, fee structures, and aligned investment vehicles. If at any time CA, LLC or its executives holds equity, board seats, or advisory board positions with a company involved in a transaction there will be a frank and full disclosure of that relationship.

Finally, CA LLC always acts in the best interest of the client and our clients always have the right to decide whether or not to utilize the services of any a CA LLC representative in such individual's outside capacities.

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

CA LLC will direct certain clients to third-party investment advisers. CA LLC will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict

of interest in that CA LLC has an incentive to direct clients to the third-party investment advisers that provide CA LLC with a larger fee split. CA LLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients.

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

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

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

### **B. Recommendations Involving Material Financial Interests**

There are times during which CA LLC will have previously invested in a company or deal and have a stake in the outcome of that investment. This shows our conviction in the deal and helps us have that experience to share as well on a personal balance sheet or company level. This is disclosed and used as part of our process sometimes to get to know an investment, or when the investment is of personal interest to Richard C. Wilson (CA LLC's principal).

This presents a conflict of interest in that CA LLC or its related persons may receive more compensation from investment in a security in which we or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. CA LLC always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

### **C. Investing Personal Money in the Same Securities as Clients**

CA LLC will at times recommend securities that its representatives also invest in. This is not always the case, but it can happen and will always be disclosed verbally or in writing to each client when that is the case. This may provide an opportunity for representatives of CA LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CA LLC will always document any transactions that could be construed as conflicts of interest and will never

engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

Please see Item 11.C above.

### **Item 12: Brokerage Practices**

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

CA LLC does not recommend brokers/custodians.

##### ***1. Research and Other Soft-Dollar Benefits***

CA LLC does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

##### ***2. Brokerage for Client Referrals***

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

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

CA LLC does not trade client's accounts.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CA LLC does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

### **Item 13: Review of Accounts**

We provide an initial list of investment deals based on the client intake form and CA LLC's algorithm. Investment options will change from time to time, but no review (periodic or non-periodic) of client's accounts is conducted and separate written reports are not provided.

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

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

If CA LLC receives any economic benefit directly or indirectly beyond an investment manager participating in our other lines of business such as our events, training, workshops, sponsorship, investor relations agency work, etc. then that will be disclosed before the investment is completed.

As discussed above, at times, there could be relationships that do not want to operate under our performance fee agreement but simply want to be referred to another wealth advisor for which we solicit; in those cases, the applicable disclosure documents will be provided to the client before the engagement begins. CA LLC will be compensated via a fee share from the advisers to which it directs those clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

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

## **Item 15: Custody**

CA LLC does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

CA LLC does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

CA LLC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

### **C. Bankruptcy Petitions in Previous Ten Years**

CA LLC has not been the subject of a bankruptcy petition.