

# Elite Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Elite Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (562) 449-0139 or by email at: [john.shen@usa-rc.com](mailto:john.shen@usa-rc.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 Elite Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Elite Advisors, LLC's CRD number is: 282117.*

18881 Von Karman Ave  
Suite 1000  
Irvine, CA, 92612  
(562) 449-0139  
[john.shen@usa-rc.com](mailto:john.shen@usa-rc.com)

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

Version Date: 12/22/2021

## **Item 2: Material Changes**

The purpose of this page is to inform you of material changes since the last annual update to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Elite Advisers, LLC (“EAL”) reviews and updates our brochure at least annually to confirm that it remains current. Any material changes made to our brochure will be summarized below.

In 2021 the firm is switching from SEC registration to State registration

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes .....	i
Item 3: Table of Contents .....	ii
Item 4: Advisory Business .....	2
A. Description of the Advisory Firm.....	2
B. Types of Advisory Services.....	2
C. Client Tailored Services and Client Imposed Restrictions.....	3
D. Wrap Fee Programs.....	3
E. Assets Under Management.....	3
Item 5: Fees and Compensation.....	4
A. Fee Schedule.....	4
B. Payment of Fees.....	4
C. Client Responsibility For Third Party Fees.....	4
D. Prepayment of Fees .....	4
E. Outside Compensation For the Sale of Securities to Clients.....	4
Item 6: Performance-Based Fees and Side-By-Side Management.....	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	5
A. Methods of Analysis and Investment Strategies .....	5
B. Material Risks Involved .....	6
C. Risks of Specific Securities Utilized .....	6
Item 9: Disciplinary Information .....	7
A. Criminal or Civil Actions .....	7
B. Administrative Proceedings .....	7
C. Self-regulatory Organization (SRO) Proceedings .....	8
Item 10: Other Financial Industry Activities and Affiliations .....	8
A. Registration as a Broker/Dealer or Broker/Dealer Representative.....	8
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	8
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	8
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections.....	8
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
A. Code of Ethics.....	9
B. Recommendations Involving Material Financial Interests .....	9
C. Investing Personal Money in the Same Securities as Clients.....	9
D. Trading Securities At/ Around the Same Time as Clients' Securities.....	9

Item 12: Brokerage Practices.....	10
A.    Factors Used to Select Custodians and/or Broker/Dealers .....	10
1.    Research and Other Soft Dollar Benefits.....	10
2.    Brokerage for Client Referrals.....	10
3.    Clients Directing Which Broker/Dealer/Custodian to Use.....	10
B.    Aggregating (Block) Trading for Multiple Client Accounts .....	10
Item 13: Review of Accounts .....	10
A.    Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	10
B.    Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	11
C.    Content and Frequency of Regular Reports Provided to Clients .....	11
Item 14: Client Referrals and Other Compensation.....	11
A.    Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	11
B.    Compensation to Non – Advisory Personnel for Client Referrals.....	11
Item 15: Custody .....	11
Item 16: Investment Discretion .....	11
Item 17: Voting Client Securities (Proxy Voting).....	12
Item 18: Financial Information.....	12
A.    Balance Sheet .....	12
B.    Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	12
C.    Bankruptcy Petitions in Previous Ten Years.....	12
Item 19: Requirements for State-Registered Advisers.....	12
Item 20: Business Continuity Plan.....	14

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Elite Advisors, LLC (hereinafter “EAL”) is a Limited Liability Company organized in the State of California.

The firm was formed in July 2015, and the principal owners were Sunstone Management, Inc. and Regional Centers Holding Group, Inc.

In January 2016, the principal ownership was transferred to Regional Centers Holding Group, Inc. (RCH)

### B. Types of Advisory Services

#### *Portfolio Management Services*

EAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. EAL creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

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

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

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

#### *Selection of Other Advisers*

EAL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, EAL will always ensure those other advisers are properly licensed or registered as an investment adviser. EAL conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance

and investment strategy. EAL then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of EAL's client. EAL may also allocate among one or more private equity funds or private equity fund advisers. EAL will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### Services Limited to Specific Types of Investments

EAL generally limits its investment advice to real estate funds, hedge funds, private equity funds, venture capital funds and private placements. EAL may use other securities as well to help diversify a portfolio when applicable.

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

EAL offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent EAL from properly servicing the client account, or if the restrictions would require EAL to deviate from its standard suite of services, EAL reserves the right to end the relationship.

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

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

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

EAL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	December 2021

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

### **A. Fee Schedule**

#### ***Performance-Based Fees for Portfolio Management***

Performance based fee could be charged sometime in the future, but currently EAL does not and has not charged any performance-based fees to any clients.

#### ***Selection of Other Advisers Fees***

EAL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between EAL and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency.

These fees are negotiable.

EAL may engage in the selection of third-party money managers, but does not have any such arrangements in place at this time. This service may be canceled with 5 days' notice.

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

#### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

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

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

### **D. Prepayment of Fees**

EAL collects its fees in arrears. It does not collect fees in advance.

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

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

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

EAL 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 as well 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 EAL and/or its supervised persons have an incentive to favor accounts for which EAL receives a performance-based fee. EAL addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. EAL seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

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

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

- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles

### ***Minimum Account Size***

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

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

EAL's methods of analysis include modern portfolio theory.

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

#### ***Investment Strategies***

EAL uses long term trading.

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



## **B. Material Risks Involved**

### ***Methods of Analysis***

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

### ***Investment Strategies***

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

**Selection of Other Advisers:** Although EAL will seek to select only money managers who will invest clients' assets with the highest level of integrity, EAL's selection process cannot ensure that money managers will perform as desired and EAL will have no control over the day-to-day operations of any of its selected money managers. EAL 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.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and

other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity funds** carry certain risks. Capital calls will 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.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**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 EAL 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 EAL 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**

All material conflicts of interest are disclosed regarding the investment adviser, its Advisors or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. EAL always acts in the best interest of the client and clients are in no way required to the services of any representative of EAL in connection with such individual's activities outside of EAL.

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

EAL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. EAL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between EAL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that EAL has an incentive to direct clients to the third-party investment advisers that provide EAL with a larger fee split. EAL will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. EAL will ensure that all recommended advisers are licensed or notice filed in the states in which EAL is recommending them to clients.

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

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

EAL 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. EAL's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of EAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of EAL 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. EAL 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**

From time to time, representatives of EAL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of EAL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, EAL will never engage in trading that operates to the client's disadvantage if representatives of EAL buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on EAL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent.

EAL will require clients to use Millennium Trust.

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

EAL 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***

EAL 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***

EAL does not trade client's accounts.

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

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

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

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

All client accounts for EAL's advisory services provided on an ongoing basis are reviewed at least monthly by John Shen Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at EAL are assigned to this reviewer.

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

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

## **C. Content and Frequency of Regular Reports Provided to Clients**

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

# **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)**

EAL may receive compensation from the selected third party advisers via a fee split, but otherwise does not receive any economic benefit from any other third party for advice rendered to EAL's clients.

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

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

# **Item 15: Custody**

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

# **Item 16: Investment Discretion**

EAL provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, EAL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

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

EAL 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**

EAL neither requires nor solicits prepayment of more than \$500.00 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 EAL nor its management has any financial condition that is likely to reasonably impair EAL's ability to meet contractual commitments to clients.

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

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

## **Item 19: Requirements for State Registered Advisors**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

EAL currently has only one management person: John Shen. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Business in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Client**

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

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulator or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

Neither Elite Advisors, LLC nor any of its supervised persons have been involved in any of the following:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
  - (a) an investment or an *investment-related* business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:
  - (a) an investment or an *investment-related* business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

### **D. Material Relationships That Management Persons Have with Issuers of Securities (If Any)**

Neither Elite Advisors, LLC nor any of its management persons have any relationship with any issuer of securities



## **Item 20: Business Continuity Plan (BCP)**

EAL has developed business continuity and information security programs that are regularly reviewed by compliance and information technology professionals in light of both current best practices and applicable regulations. Clients may obtain a copy of EAL's Business Continuity Disclosure upon request

For more information – If you have questions about our business continuity planning, you can contact us at (562) 449-0139 or [john.shen@usa-rc.com](mailto:john.shen@usa-rc.com).