

FORM ADV Uniform Application for Investment Adviser Registration

Part 2A: Investment Adviser Brochure

**ITEM 1: Cover Page**

**CALTIER**

CalTier Advisors, LLC

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March 1, 2022

This brochure provides information about the qualifications and business practices of CalTier Advisors, LLC (“CalTier,” “we,” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 1 (619) 344-0291 or [advisors@caltieradvisors.com](mailto:advisors@caltieradvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about CalTier also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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**ITEM 2: Material Changes**

This is our initial Brochure on Form ADV Part 2A.

We are required to identify and discuss any material changes made to our Brochure since the last update.

Should we make any material changes to this item in the future, we will revise this section of the Brochure to include a summary of such changes.

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### **ITEM 4: Advisory Business**

#### **A. The Company**

CalTier Advisors, LLC (“CalTier”, “we” or “Firm”) is a wholly-owned subsidiary of CalTier Realty, LLC, which was founded in 2017. CalTier Advisors, LLC was founded in October 2021.

CalTier Advisors provides investment advice to our clients on investments in real estate interests through our online investment platform located at [www.caltierrealtyfund.com](http://www.caltierrealtyfund.com) operated by our affiliate, CalTier Realty, LLC. We refer to the website as the “CalTier Platform.” Our investment advice is based on personal information each client submits through the CalTier Platform. We also serve as the manager to investment vehicles (and we may serve as the manager to any successor and additional investment vehicles), including our Regulation A+ fund (hereinafter referred to as the “CalTier Fund I”) which invests in multifamily real estate and other real estate related investments.

Our investment advice is based on personal information each client submits through our CalTier Platform, including their accreditation and/or Reg. A qualified purchaser status.

In order to become a client, an interested investor is required to subscribe to the CalTier Platform including completing an investor profile and a unique username and password. Once accepted as a client, the CalTier Platform can be accessed using their own unique username and password. Only those clients who have completed an investor profile may complete investments through the CalTier Platform. Investments in the CalTier Fund I (and other investments that may be posted on the CalTier Platform from time to time) are available to accredited and non-accredited investors for a minimum of \$500.

Our principals together with those of our affiliates, advisors, and related persons, utilize collective experience and relationships to recommend commercial real estate investments meeting our underwriting criteria, which will be posted on the CalTier Platform.

At times we may promote an investment syndicate or Special Purpose Entity (hereinafter referred to as a “SPE”), usually organized as a limited liability company, in order to finance all or a portion of an identified and specified property or project. We refer to the real estate operator as the “Sponsor”. The Sponsor may, but generally will not, be a related person. When we identify an attractive real estate investment opportunity, we undertake an underwriting and due diligence process.

Sponsors typically require minimum investment amounts of \$250,000 or greater, which makes direct investments in Sponsor Syndicates generally unavailable to our Clients. However, in instances where we identify an investment opportunity that fits our target asset type and that has satisfied our underwriting and due diligence review requirements, we may post relevant investment

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information on the CalTier Platform so that our clients can choose to invest in the Sponsor's Syndicate through a new SPE.

In the case of an SPE, we prepare and share our research and related information on the property or project provided by the Sponsor, including disclosure information, risk factors and investment documentation relating to an investment in the membership interests of the SPE, which our Clients can use to review, analyze and determine whether or not to make an investment in the SPE. By investing through the SPE, our Clients are able to participate indirectly in a Sponsor's Syndicate, but with smaller minimum investment amounts and risk exposure. Our Clients can also choose to diversify their investments in real estate among a variety of Sponsor Syndicates or SPEs. Investments in SPEs will generally be limited to clients who are accredited investors.

We will not serve as the manager of any SPE. Each SPE is self-managed through a board consisting of at least three individuals, which we collectively refer to as the "Manager." The Manager will include at least one member having no affiliation with us or any of our affiliates or related persons, which we refer to as the "Independent Member." For the benefit and protection of our Clients, the terms of each SPE limited liability company operating agreement (hereafter referred to as the "SPE Operating Agreement") provide that distributions are required to be authorized by the Manager and no distributions may be made to us, or any of our affiliates or related persons, whether for bona fide services or otherwise, without the approval of the Manager, including the Independent Member. We provide administrative services to each SPE at the discretion of its Manager, including assisting in the determination, and reporting to the Manager, of periodic distributions to our Clients. Also, through the CalTier Platform we provide ongoing performance, research and other reports to our Clients in respect of their investments in SPEs.

#### **Investment Discretion**

Our Clients who have completed a profile can select among the investment opportunities identified in the CalTier Platform. We have no investment discretion. The Client in each case determines whether or not to effect any investment. As the manager of the CalTier Fund I, we have the discretion to determine the investment, and we are able to direct loans and other financing options to the SPEs.

As of today, our investment advisory services are limited to real estate and related investments posted on the CalTier Platform. We do not participate in wrap fee programs. In respect of the CalTier Fund I, as of December 31, 2021, we provided discretionary asset management for approximately \$1,111,987.91 of client assets.

#### **Auto-Invest Plan**

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A Client may elect to automatically invest at certain pre-set intervals and amounts chosen by the Client using an option found on the CalTier Platform.

#### **Self-Directed IRA or Other Retirement Plans**

A Client may elect to invest into an offering, including CalTier Fund I, using a Self-Directed IRA or other retirement or tax-efficient vehicle. Clients may desire to ask additional questions or have a conversation with one of our support team members concerning investments by IRAs and other retirement plans. Such discussions will typically be focused on how such mechanisms work and will not be directly providing specific investment or tax advice to Clients.

#### **Other Services**

CalTier Advisors may provide additional services to Clients in the future. In such event, this Form ADV Part 2A shall be updated as needed to reflect such additional services.

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### **ITEM 5: Fees and Compensation**

#### **A. Advisory Fees**

CalTier Advisors does not currently charge Clients for administration or other fees related to the services provided by or through the CalTier Platform. We reserve the right in the future, in our sole discretion, to charge Clients a CalTier Platform advisory fee of up to 0.25% of such Client's invested capital through the CalTier Platform.

We are entitled to receive fees from CalTier Fund I (and any successor investment vehicle or fund) we manage. CalTier Advisors receives 0.5% per annum of the assets under management or "AUM" from CalTier Fund I. The fee is paid to us on a quarterly basis, in arrears for advising and administering the CalTier Fund I. We or our affiliates may be entitled to certain other fees from CalTier Fund I, including administration fees and other related fees and services.

The CalTier Fund I is charged a 3% fund management fee assessed quarterly in arrears and based upon a percentage of the average daily value of assets under management for the prior quarter.

Each Client will be charged an administrative fee by each SPE in which the Client is invested. The administrative fee will generally be between 0.5% and 3.0% of the capital invested in the SPE and, in each case, the amount or percentage of such fee is set forth in the respective SPE Operating Agreement. The SPV fee is payable out of cash distributions received by the SPE from the respective Sponsor's Syndicate, before distributions of cash to the Clients invested in the SPE. The SPE fee is payable at the direction of the Manager of each SPE. A portion of the administrative fee may be paid or reallocated to the Manager and/or to the Independent Member as compensation for his or her services.

Fees and services may be negotiable based on a number of factors such as client type, asset, class, pre-existing relationship, complexity and account size, anticipated future additional assets; related accounts; portfolio style, account composition, reports and other special circumstances or requirements. Some clients pay higher or lower fees than other clients.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### **1. CalTier Portfolio Fund Manager Fees**

Existing and prospective investors in the CalTier Fund I should review the Offering Documents of the Fund in conjunction with this Form ADV, Part 2A for complete information on the fees and compensation payable with respect to the Fund. Investors in the CalTier Fund I should note that similar advisory services may (or may not) be available from other investment advisers for similar

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or lower fees. Information regarding amounts of management fees to be charged can be found in the Offering Document of the Fund, available for review at [https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1\\_253g2.htm](https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1_253g2.htm)

### 2. SPE Administration Fee

Existing and prospective investors in CalTier SPE's are charged administration fees by each SPE in which they have made an investment. The administration fees are generally between 0.5% and 3% of the capital invested in the SPE and may contain additional preferred returns and promotes. In each case, the amount or percentage of the administration fees are set forth in the respective SPE Operating Agreement. The administration fees are payable out of cash distributions received by the SPE for the respective Sponsor's Syndicate, before distributions of cash to the investors. The administration fees are payable to, or at the direction of, the Manager of each SPE. The administration fees may be paid by the Manager of each SPE, in whole or in part, to us or our affiliate as compensation for ongoing advisory and administration services. A portion of the administration fees may be paid to the Independent Manager as compensation for services rendered.

### 3. Fee Waivers

CalTier reserves the right, in its sole discretion, to reduce or waive any fees it may charge for any period of time as determined by CalTier in its sole discretion. In addition, CalTier may reduce or waive its fees for certain clients without notice and without reducing or waiving its fees for all clients.

### 4. Fee Sharing

Advisory services are only provided for investments sponsored by CalTier or otherwise posted on the CalTier Platform. There are no fee sharing arrangements.



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### **ITEM 6: Performance-based Fees and Side-by-Side Management**

We do not generally receive performance based fees from our CalTier Platform Clients.

In regards to our management of CalTier Fund I (and any successor investment vehicle or fund) or a SPE, we or our affiliate may receive an incentive fee or performance allocation, which is charged to each member's capital account. The incentive fee or performance allocation charged is generally a percentage of the capital appreciation of the Client's investment during the respective year and may be determined on the capital appreciation in excess of a hurdle rate. Incentive fees or performance allocations will be undertaken in conformity with Rule 205-3 under the Investment Advisers Act of 1940, including the requirement that such fees be charged only to "qualified clients."

### **Conflicts of Interest**

The following link enumerates certain potential conflicts of interest in addition to others described within this Form ADV, Part 2A, which should be carefully evaluated before making an investment in the Fund advised by CalTier.

[https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1\\_253g2.htm#a\\_004](https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1_253g2.htm#a_004)

James Jones is a shareholder of CalTier Realty, LLC and has a previous relationship with Alto IRA, pursuant to which he is entitled to receive referral based fees for introductions he makes to Alto IRA for self-directed IRA accounts opened with them, and investment made by them through the CalTier Platform.

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#### **ITEM 7: Types of Clients**

We provide investment advice to our Clients through the internet-based CalTier Platform. Also, we serve as the manager to the CalTier Fund I (and any successor investment vehicle or fund). In order to become a client, an interested investor is required to subscribe to the CalTier Platform including completing an investor profile and a unique username and password. Once accepted as a client, the CalTier Platform can be accessed using their own unique username and password. Only those clients who have completed an investor profile may complete investments through the CalTier Platform. Investments in the CalTier Fund I (and other investments that may be posted on the CalTier Platform from time to time) are available to Clients who are accredited and non-accredited investors for a minimum of \$500.

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

Existing and prospective investors in the CalTier Fund I should refer to the Offering Document of the Fund for complete information on the methods of analysis, investment objectives and investment restrictions with respect to the CalTier Fund I. There is no assurance that any of the CalTier Fund I (and any successor investment vehicle or fund) investment objectives will be achieved.

##### **A. Investment Strategy**

The investment strategy of the CalTier Fund I will generally be to use substantially all of the proceeds of the offering to originate, acquire, manage, selectively leverage, syndicate and opportunistically sell investments in multi-family value-add commercial real estate assets.

##### **B. Risk of Loss**

Investing in real estate involves speculative risk, which could result in a complete loss of principal and no return is guaranteed. In addition, there are no assurances that a Client's desired diversification can, or will, be achieved.

The risks associated with an investment in the CalTier Fund I (and any successor investment vehicle or fund) are more fully described in the respective Offering Documents for such funds and an existing or prospective investor must carefully review such information prior to making an investment. A more fulsome disclosure of risks associated with the CalTier Fund I are provided at [https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1\\_253g2.htm#a\\_004](https://www.sec.gov/Archives/edgar/data/1771232/000110465920128011/tm2036596d1_253g2.htm#a_004)

#### **Risk of Loss - Plans**

CalTier cannot guarantee any level of performance or that any Client will avoid a loss of principal. Any investment in securities, including investments in the CalTier Fund I (and any successor investment vehicle or fund), involves the possibility of financial loss that Clients should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each Individual Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Individual Client before retaining CalTier's services, and are not a substitute for the Risk Factors contained in the CalTier Fund I (and any successor investment vehicle or fund)'s Offering Documents. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on an Individual Client if there is in fact an occurrence.

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**Advisory Risk** –There is no guarantee that CalTier’s judgment or investment decisions on behalf of the CalTier Fund I (and any successor investment vehicle or fund) will necessarily produce the intended results. CalTier’s judgment may prove to be incorrect, and an Individual Client might not achieve his/her investment objectives. In addition, it is possible that clients or CalTier itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to CalTier’s software based financial advisory service. CalTier and its representatives are not responsible to any Individual Client for losses unless caused by CalTier breaching its fiduciary duty. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which a Client may have under federal or state securities laws.

**Limited Plans.** All Plans are limited to the CalTier Fund I (and any successor investment vehicle or fund), select SPEs and other future investments sponsored by CalTier. These investments may not be appropriate for all Individual Clients, and all Individual Clients are required to acknowledge that they understand that CalTier will only recommend portfolios of, or allocate distributions to, investments sponsored by affiliates of CalTier. As such, Individual Clients should not allocate more than 10% of their total investment portfolio or assets, including investments not sponsored by CalTier, to the CalTier Fund I (and any successor investment vehicle or fund) or the future Plan(s).

**Illiquidity of Investments.** Investments in SPE’s and certain future plan(s) may be **highly illiquid**, and there can be no assurance that Individual Clients will be able to realize these investments in a timely manner. It is unlikely that there will be a public market for CalTier investments, and the liquidation plans are limited by regulatory caps, as well as cash available to effect liquidations.

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**ITEM 9: Disciplinary Information**

None.

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**ITEM 10: Other Financial Industry Activities and Affiliations**

We are not registered, nor do we have an application pending to register, as a broker- dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant or a commodity trading adviser or an associated person of any of the foregoing.

We have entered into an arrangement with AltoIRA to serve as a self-directed IRA custodian for referred IRA Clients.

James Jones is a shareholder of CalTier Realty, LLC and has a previous relationship with Alto IRA, pursuant to which he is entitled to receive referral based fees for introductions he makes to Alto IRA for self-directed IRA accounts opened with them, and investment made by them through the CalTier Platform. This may present a conflict of interest. An IRA Client is not required to use the services of AltoIRA, and may use a self-directed IRA custodian of his or her choosing.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [advisors@caltieradvisors.com](mailto:advisors@caltieradvisors.com), or by calling us at 619 344 0291 . CalTier and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

CalTier's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

#### **Conflicts of Interest.**

Certain of our affiliates, including investors in, and members of the board of Advisory Holding, are engaged in real estate development and may act and devote a substantial amount of time to, and become associated with, other real estate and/or investment entities. Our affiliates are not limited or restricted from engaging in or devoting time and attention to the management and operations of any other business, whether of a similar, dissimilar or conflicting nature, or to render services of any kind to any other corporation, firm, individual or association. Our affiliates are under no obligation to disclose or offer any business opportunity to us or our Clients, or to defer any such opportunity. Our affiliates may refer business and investment opportunities to any other party or keep such opportunities for their own benefit.

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**ITEM 12: Brokerage Practices**

CalTier currently uses Castle Placement as a broker-dealer for its investment activities for CalTier Fund I. Castle Placement is a securities broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

Among the duties of registered investment advisers is the fair and equitable treatment of its clients.



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**ITEM 13: Review of Accounts**

CalTier's Executive Committee periodically reviews the assets of the CalTier Fund I to support compliance with the guidelines and restrictions discussed in the CalTier Fund I (and any successor investment vehicle or fund)'s Offering Documents. The Executive Committee may delegate this responsibility to a qualified individual or individuals who would be responsible for reporting the results of such reviews to the Executive Committee in a timely manner.

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**ITEM 14: Client Referrals and Other Compensation**

We may engage other RIA's or advisors or compensate third parties for referrals of Clients. Such arrangements, if any, deemed to involve cash payments for client solicitations, will be in conformity with Rule 206(4)-3.

B. Client Referrals

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**ITEM 15: Custody**

We do not maintain custody or possession of Clients' funds or securities.

However, as to the CalTier Fund I (and any successor investment vehicle or fund), we may be deemed to have custody of the assets of the CalTier Fund I (and any successor investment vehicle or fund). Accordingly, the financial statements of the CalTier Fund I (and any successor investment vehicle or fund) are prepared in accordance with Generally Accepted Accounting Principles and are subject to annual audit.

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**ITEM 16: Investment Discretion**

A. CalTier Fund I LP (the “Fund”) Clients

Our Clients can select among the investment opportunities identified in the CalTier Platform. The Client in each case determines whether or not to affect any investment and we have no investment discretion. As the manager of the CalTier Fund I (and any successor investment vehicle or fund), we have the discretion to determine and direct its investments.

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#### **ITEM 17: Voting Client Securities**

We have no investment or voting discretion over Individual Client investments. In the event we are required to vote on any Individual Client investment, we will maintain a log of each upcoming voting event, and make sure we have relevant disclosure materials, proxies and/or consents and other documentation and information necessary to cast votes in a timely manner. We will also determine whether there exists a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of any Individual Client, and in such event develop a policy and methodology for resolving such material conflict.

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**ITEM 18: Financial Information**

Not Applicable.

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**ITEM 19: Requirement for State-Registered Advisors**

Not applicable.