

**Form ADV Part 2A: *Firm Brochure***

**Item 1 – Cover Page**

**Retirement Financial Solutions, LLC  
d/b/a Blue Ridge Wealth Planners**

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Knoxville, Tennessee 37932  
865-392-4260

[www.blueridgewealth.com](http://www.blueridgewealth.com)

Date of Disclosure Brochure: April 2022

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This disclosure brochure provides information about the qualifications and business practices of Retirement Financial Solutions, LLC doing business under the name Blue Ridge Wealth Planners (also referred to as we and us throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Bradley Fugate at 865-392-4260. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Blue Ridge Wealth Planners is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Retirement Financial Solutions, LLC, Blue Ridge Wealth Planners or our firm's CRD number 285347.

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

## **Item 2 – Material Changes**

Since our last annual amendment update dated February 14, 2022, we have registered with the SEC and amended the fee calculation description found under Item 5 below.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

Blue Ridge Wealth Planners is an SEC registered investment adviser located in Knoxville, Tennessee. The firm is a limited liability company (LLC) formed under the laws of the State of Tennessee.

- Robert Fugate is the Founder of Blue Ridge Wealth Planners. Bradley Fugate is the controlling Managing Member of Blue Ridge Wealth Planners as of January 2017. Full details of the education and business background of Robert and Bradley Fugate are provided at *Item 19* of this Disclosure Brochure.
- Blue Ridge Wealth Planners filed its initial application to become registered as an investment adviser in October 2016.

### **Introduction**

The investment advisory services of Blue Ridge Wealth Planners are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Blue Ridge Wealth Planners (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Blue Ridge Wealth Planners. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Blue Ridge Wealth Planners before we can provide you the services described below.

**Asset Management Services** – Blue Ridge Wealth Planners offers asset management services, which involves Blue Ridge Wealth Planners providing you with continuous and ongoing supervision over your specified Accounts. Blue Ridge Wealth Planners has entered into an agreement with AE Wealth Management, LLC (“AEWM”), an SEC registered investment advisor, to utilize the reporting tools and software available on their platform.

You must appoint our firm as your investment adviser of record on specified Accounts (collectively, the “Account”). The Account consists only of separate Account(s) through the Fidelity Institutional Wealth Program (collectively referred to as Fidelity) under your name. Fidelity, as qualified custodian, maintains physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account on a discretionary or non-discretionary basis as agreed upon with you.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance, or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will initiate contact with you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your Accounts, including the ability to instruct us not to purchase certain securities.

Blue Ridge Wealth Planners provides financial planning and/or consulting services to clients who are currently receiving asset management services from Blue Ridge Wealth Planners for an asset management fee. If client is currently receiving asset management services from Blue Ridge Wealth Planners for an asset management fee, Blue Ridge Wealth Planners does not charge a fee for financial planning or consulting services.

It is important that you understand that we manage investments for other clients and will give them advice or take actions for them or for our personal Accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell, or recommend to you any security or other investment that we may buy, sell, or recommend for any other clients or for our own Accounts.

Conflicts arise in the allocation of investment opportunities among Accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your Account(s) and other Accounts advised by our firm among such Accounts equitably and consistent with the best interests of all Accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

AEWM also offers client-managed or advisor-managed account options for clients who want to manage or hold a portion of their assets outside the management services provided by Blue Ridge Wealth Planners above but continue utilize the reporting tools and software available on the AEWM Platform. Any additional services or fees will be disclosed on the Fee Addendum of the Client Agreement.

**Retirement Plan Rollover Recommendations** - To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account ("Rollover IRA"), managed by Blue Ridge Wealth Planners please know that Blue Ridge Wealth Planners and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a Rollover IRA managed by Blue Ridge Wealth Planners. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to a Rollover IRA managed by Blue Ridge Wealth Planners.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to a Rollover IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Blue Ridge Wealth Planners receiving unreasonable compensation related to the rollover of funds from the retirement plan to a Rollover IRA, and (iii) fully disclose compensation received by Blue Ridge Wealth Planners and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to a Rollover IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent we provide you investment advice as a participant in a retirement plan regarding whether to maintain investments and/or proceeds in the retirement plan, roll over such investment/proceeds from the retirement plan to a Rollover IRA or make a distribution from the retirement plan, Blue Ridge Wealth Planners hereby acknowledges our fiduciary obligations to you with regard to our investment advice about whether to maintain, roll over or distribute proceeds from the retirement plan, and as such a fiduciary with respect to its investment advice to you about whether to maintain, roll over or distribute proceeds from the retirement plan.

Our investment advisor representatives shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Blue Ridge Wealth Planners or our affiliated personnel.

**Asset Management Services through AE Wealth Management** – Blue Ridge Wealth Planners has entered into a Co-Advisory agreement with AE Wealth Management, LLC (“AEWM”), an SEC registered investment advisor, to provide investment advisory services to clients through the AE Wealth Management Wrap Fee Program (“Program”).

The Program provides clients with the opportunity to participate in the asset management services available to Blue Ridge Wealth Planners through AEWM. Through the Program, AEWM provides services as Co-Advisor to Blue Ridge Wealth Planners and our clients, which include:

- Selection of model managers, portfolio managers, strategists and third-party money managers on the platform;
- Research;
- Access to AEWM's reporting systems, client relationship management systems and workflow systems;

Blue Ridge Wealth Planners will assist client with the establishment of an AEWM advisory account that will utilize one or more services of AEWM. Through the Program, you will receive continuous investment advice based on your needs and circumstances. Blue Ridge Wealth Planners will be responsible for understanding the financial condition and investment objective of the client. AEWM and Blue Ridge Wealth Planners will then assist clients in allocating their assets among different investment options in the Program and/or recommend strategies developed by the model managers or third-party managers.

Blue Ridge Wealth Planners provides financial consulting services to clients who are currently receiving asset management services from Blue Ridge Wealth Planners and AEWM as Co-Advisors for an asset management fee. If client is currently receiving asset management services from Blue Ridge Wealth Planners and AEWM for an asset management fee, Blue Ridge Wealth Planners does not charge a fee for financial consulting services.

As part of the Program, client will give Blue Ridge Wealth Planners and AEWM discretion to select/hire model managers, portfolio managers, strategists, and third-party money managers, who are available through AEWM's platform, on behalf of client, Blue Ridge Wealth Planners and AEWM will also have discretion to reallocate assets among model managers, portfolio managers, strategists, and third-party money managers on behalf of clients on a continuing basis.

Clients will grant AEWM discretionary authority to buy and sell securities on behalf of any client of Blue Ridge Wealth Planners who participates in AEWM's asset management services. This means AEWM will have trading authority over client's account which is necessary to trade investments recommended by model managers, portfolio managers, strategists, and third-party money managers.

Although we review the performance of model managers, we are only able to select the investment managers approved by AE Wealth Management and thus available through the Program. Therefore, we have a conflict of interest because we do not recommend Model Managers to you if the investment manager is not available through the Program.

We will provide you with a copy of AE Wealth Management's disclosure brochure which contains a detailed description of AE Wealth Management and the Program.

### **Newsletters**

Blue Ridge Wealth Planners occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual. Newsletters are provided to clients and prospective clients free of charge.

### **Seminars**

Blue Ridge Wealth Planners provides dinner seminars throughout the year. Seminar topics focus on retirement planning issues but can also include other general financial planning topics. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants. Seminars are offered to clients and prospects free of charge.

### **Workshops**

Blue Ridge Wealth Planners offers educational workshops throughout the year covering retirement planning and financial planning topics. Attendees may receive a course workbook which further details the topic of discussion. See *Item 5 – Fees and Compensation* for the costs associated with the workshops.

### **Limits Advice to Certain Types of Investments**

Blue Ridge Wealth Planners can provide investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Futures Contracts on Tangibles
- Futures Contracts on Intangibles
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests
- Securities Properly Exempted from Registration
- Hedge Funds

- Non-Traded Real Estate Investment Trusts (REITs)
- Business Development Companies

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that can be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we can increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We can modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

Blue Ridge Wealth Planners advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the Accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client Accounts through our firm's Asset Management Services program, we can manage a client's Account in accordance with one or more investment models. When client Accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

### **Wrap-Fee Program versus Other Services**

We are neither a sponsor of nor investment adviser to a wrap fee program. We offer services through AEWM's wrap-fee program. In traditional management programs, advisory services are provided for a fee but transaction costs are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction costs are provided for one fee. Please refer to AEWM's ADV Part 2 Wrap Fee Brochure for a full description of their wrap program and fees.

### **Client Assets Managed by Blue Ridge Wealth Planners**

As of December 31, 2021, Blue Ridge Wealth Planners had \$117,489,610 in discretionary assets under management and \$0 in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service can be available from other

sources. The exact fees and other terms will be outlined in the agreement between you and Blue Ridge Wealth Planners.

### **Fees for Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based on the average account balance across the billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your Account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The Blue Ridge Wealth Planners services continue in effect until terminated. You may terminate the services by providing Blue Ridge Wealth Planners with notice. Blue Ridge Wealth Planners may terminate the services by providing you with written notice effective 30 days after you receive the written notice. Any prepaid, unearned fees will be promptly refunded by Blue Ridge Wealth Planners to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

The maximum fee charged for our asset management services is 1.75%. Fees are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's Account (i.e., equities versus mutual funds), the additional Account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

There is a minimum Account size of \$250,000. This minimum Account size is negotiable.

Clients who utilize the client-managed or advisor-managed account options for the reporting tools and software on the AEWM Platform, will pay a fee in addition to and separate from the Blue Ridge Wealth Planners asset management fee. Your specific fee and terms will be disclosed on the Fee Addendum of your Client Agreement.

Blue Ridge Wealth Planners believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee can be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you can also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by Fidelity or other qualified custodian of your account. You will authorize Fidelity or another qualified custodian of your account to deduct fees from your account and pay such fees directly to our firm. AEWM will send you a billing statement prior to the time that fee deduction instruction is sent to Fidelity or another qualified custodian. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered. See *Item 15 – Custody* for more details.

You should review your Account statements received from Fidelity or other qualified custodian and verify that appropriate investment advisory fees are being deducted. Fidelity or other qualified custodian will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by Fidelity or another qualified custodian are billed directly to you. Blue Ridge Wealth Planners does not receive any portion of such commissions

or fees from you or the qualified custodian. In addition, you can incur certain charges imposed by third parties other than Blue Ridge Wealth Planners in connection with investments made through your Account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian of your Account. Management fees charged by Blue Ridge Wealth Planners are separate and distinct from the fees and expenses charged by investment company securities that can be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### **Fees for Asset Management Services through AE Wealth Management**

Clients participating in the AE Wealth Management Program are charged a specified fee for investment advisory and execution services. Fees are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

Program fees will be deducted from your account by AEWM and paid directly to our firm. Your maximum annual fee for this program will never exceed 2%. AEWM retains up to 55 basis points (.55%) of this fee. If Blue Ridge Wealth serves as the model manager, the fee will not exceed 1.75%, while the total maximum fee charged to clients in the event a third-party manager is selected is 2.0%.

This fee is negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

The asset management services continue in effect until terminated. You may terminate the services by providing Blue Ridge Wealth Planners with notice. Blue Ridge Wealth Planners may terminate the services by providing you with written notice effective 30 days after you receive the written notice. Any prepaid, unearned fees will be promptly refunded by AEWM to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

### **Fees for Workshops**

From time to time, Blue Ridge Wealth Planners will charge a minimal fee, as needed, due to costs associated with the content of the workshop and/or course workbook, without notice.

### **Other Fee Terms**

You should notify Blue Ridge Wealth Planners within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent Blue Ridge Wealth Planners engages an outside professional (i.e. attorney, independent investment adviser or Accountant) while providing advisory services to you, Blue Ridge Wealth Planners will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse Blue Ridge Wealth Planners for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and Blue Ridge Wealth Planners will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e. attorney,

independent investment adviser or Accountant) will be in addition to and separate from the fees charged by Blue Ridge Wealth Planners, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's Account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

### **Item 7 – Types of Clients**

Blue Ridge Wealth Planners generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals

You are required to execute a written agreement with Blue Ridge Wealth Planners specifying the particular advisory services in order to establish a client arrangement with Blue Ridge Wealth Planners.

### **Minimum Investment Amounts Required**

Blue Ridge Wealth Planners requires a minimum of \$250,000 in order to open an Account. To reach this Account minimum, clients can aggregate all household Accounts. Exceptions can be granted to family members and long-standing clients and referrals.

AEWM may have minimum account and minimum fee requirements in order to participate in their programs. AEWM will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure and Appendix 1.

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

#### **Methods of Analysis**

Blue Ridge Wealth Planners uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including

macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

### **Investment Strategies**

Blue Ridge Wealth Planners may employ the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Value Investing. Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they

believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Investment Model Strategies. Blue Ridge Wealth Planners has created proprietary Model Portfolios. Based on the information you provide us, we consider multiple time horizons (long, medium and short-term) when determining investment strategies. Depending on our clients' needs, we may recommend one or several of our investment management models.

In the development and management of our Model Portfolios, Blue Ridge Wealth Planners uses industry standard techniques that include technical analysis, fundamental analysis and charting. We may engage various types of execution tactics such as long term and short term buys and value investing as well as asset allocation strategies to achieve the Model Portfolios' objectives. Each model engages in its own type of techniques, execution tactics and use of research tools to enhance the ability to manage its assets effectively to its stated philosophy. Blue Ridge Wealth Planners actively manages to each model's investment objective, driven by its investment philosophy and style.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## Item 10 – Other Financial Industry Activities and Affiliations

Blue Ridge Wealth Planners is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an Accountant or Accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Our representatives can sell other products or provide services outside of their role as investment adviser representatives with us.

### **Registered Representative of a Broker-Dealer**

Bob Fugate and Brad Fugate are registered representatives of Madison Avenue Securities, LLC ("Madison Avenue"), a securities broker-dealer. However, both members have discontinued offering new products through Madison Avenue and are remaining active with Madison Avenue exclusively for the purpose of reviewing and managing existing client accounts still based with Madison Avenue.

### **Co-Advisors**

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Blue Ridge Wealth Planners has formed a relationship with an independent, investment adviser to serve as co-advisor to provide Asset Management Services. Please refer to the previous disclosures in Item 4 and Item 5 regarding our use of co-adviser and model managers.

### **Insurance Agent**

You can work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative will sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent will suggest that you implement recommendations of Blue Ridge Wealth Planners by purchasing disability insurance, life insurance, annuities, or other insurance products.

This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

Blue Ridge Wealth Planners will utilize the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select the appropriate product. The IMO will also offer special incentive compensation while our investment adviser representatives acts in their separate capacity as insurance agents, if they meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. A client could perceive that the receipt of commissions and additional incentive compensation itself creates a conflict of interest and can affect our independent judgment. However, this conflict is mitigated by the fact that we have a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any insurance products through us in our separate capacity

as insurance agents. The purpose of the IMO is to assist us to find the insurance company that best fits the client's situation.

Advisors Excel provides affiliate members such as our insurance firm, Blue Ridge Wealth Planners, with marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) services for clients, and business succession planning for our firm. Although some of these services can directly benefit a client, other services obtained by us from Advisors Excel such as marketing assistance and business development will not benefit an existing client.

### **Real Estate Ownership**

Robert Fugate, Bradley Fugate and John Vandergriff are also affiliated with Cogdill One, LLC. Cogdill One, LLC owns real estate which includes a commercial building located at 9725 Cogdill Road, Knoxville, TN 37932. Each of them has an equal ownership interest in the real estate property.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Blue Ridge Wealth Planners has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Blue Ridge Wealth Planners' Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Blue Ridge Wealth Planners requires its supervised persons to consistently act in your best interest in all advisory activities. Blue Ridge Wealth Planners imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Blue Ridge Wealth Planners. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Blue Ridge Wealth Planners or supervised persons of the firm can buy or sell for their personal accounts, investments identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Blue Ridge Wealth Planners that all persons supervised in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Blue Ridge Wealth Planners and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons). Any supervised person not observing our policies is subject to sanctions up to and including termination.

## Item 12 – Brokerage Practices

Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

Currently, we require the use of Fidelity as your qualified custodian. This decision is based on our participation in the Fidelity Intuition Wealth Services program. For AEWB Programs, Fidelity will also be used as the qualified custodian. Fidelity provides Blue Ridge Wealth Planners with access to their institutional trading and custody services, typically not available to retail investors. The services from Fidelity include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity and AEWB also make available to Blue Ridge Wealth Planners other products and services that we benefit from but may not benefit your Accounts. Some of these other products and services assist us in managing and administering client Accounts. These include software and other technology that:

- Provide access to client Account data (such as trade confirmation and Account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client Accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client Accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our Accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services can include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing.

In addition, Fidelity will make available, arrange and/or pay for these types of services rendered to Blue Ridge Wealth Planners by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in Accounts at

Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or Account custodian other than Fidelity, although in this case we cannot assist you with asset management services.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Blue Ridge Wealth Planners may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers can cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Blue Ridge Wealth Planners has decided to require our clients to use broker/dealers and other qualified custodians determined by Blue Ridge Wealth Planners.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Blue Ridge Wealth Planners believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client Accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Blue Ridge Wealth Planners uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Blue Ridge Wealth Planners will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's Account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Blue Ridge Wealth Planners or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed Accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by your Advisor on record, with reviews performed in accordance with your investment goals and objectives.

## **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly Account statements in writing directly from the qualified custodian. Additionally, Blue Ridge Wealth Planners may provide position or performance reports to you quarterly and upon request.

You are encouraged to always compare any reports or statements provided by us or a co-adviser against the Account statements delivered from the qualified custodian. When you have questions about your Account statement, you should contact our firm and the qualified custodian preparing the statement.

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

Blue Ridge Wealth Planners does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Blue Ridge Wealth Planners receives no other forms of compensation in connection with providing investment advice.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

According to this definition, Blue Ridge Wealth Planners does **not** have custody of client funds or securities.

For all of our managed accounts, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Blue Ridge Wealth Planners or AEW. When clients have questions about their account statements, they should contact Blue Ridge Wealth Planners or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

When providing asset management services, Blue Ridge Wealth Planners maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of Blue Ridge Wealth Planners to consult with you prior to making significant changes in the Account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your Account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your Accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Blue Ridge Wealth Planners so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Through the AEWMM Program, you give Blue Ridge Wealth Planners and AEWMM discretionary authority to select Model Managers. You also grant the AEWMM with the discretionary authority (without first consulting with client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the AEWMM. You also grant AEWMM with the power and authority to carry out these decisions by giving instructions, on your behalf, to the qualified custodian(s) of the account.

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

Blue Ridge Wealth Planners does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

With respect to assets managed by AEWMM, you will need to refer to their disclosure brochure to determine whether the AEWMM will vote proxies on your behalf. You may request a complete copy of the AEWMM's proxy voting policies and procedures as well as information on how your proxies were voted by contacting AEWMM or by contacting Blue Ridge Wealth Planners at the address or phone number indicated on Page 1 of this disclosure document.

#### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Blue Ridge Wealth Planners does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Blue Ridge Wealth Planners has not been the subject of a bankruptcy petition at any time.

#### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** Blue Ridge Wealth Planners has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you (“Information”) with outside third parties without your

consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial advisory, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.