



## Form ADV Part 2A: Firm Brochure

Entelechy LLC

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Bethesda, MD 20817  
202-770-2007

Dated February 7, 2021

This Brochure provides information about the qualifications and business practices of Entelechy LLC, “Entelechy”. If you have any questions about the contents of this Brochure, please contact us at 202-770-2007. 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.

Entelechy LLC is registered as an Investment Adviser with the State of Maryland, the Commonwealth of Virginia, and the District of Columbia. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Entelechy is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 285776.

# Item 2: Material Changes

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Since its last filing on May 6, 2020, Entelechy has made the following changes to this disclosure brochure:

- Item 4: Entelechy has updated its assets under management.
- Item 4: Entelechy has updated the description of its Financial Life Management and Tax Preparation & Consulting services.
- Item 5: Entelechy has updated billing details for its Tax Preparation & Consulting services.

## Future Changes

From time to time, we may amend this disclosure brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by securities regulators.

This complete disclosure brochure or a summary of material changes shall be provided to each client annually and if a material change occurs in the business practices of Entelechy.

At any time, you may view the current disclosure brochure online on our website at <https://entelechy.co>, or on the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 285776.

You may also request a copy of this disclosure brochure at any time by contacting us at 202-770-2007.

# Item 3: Table of Contents

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# Item 4: Advisory Business

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## Description of Advisory Firm

Entelechy LLC is registered as an Investment Adviser with the State of Maryland, the Commonwealth of Virginia, and the District of Columbia. Entelechy LLC became a Registered Investment Adviser in January of 2017. Benjamin R. Brown, CFP®, EA is the principal owner of Entelechy. As of December 31, 2020, Entelechy reports \$35,662,503 in discretionary assets under management, and no non-discretionary assets under management.

## Types of Advisory Services

### Financial Planning

We provide financial planning services on topics including, but not limited to, retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies

and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

## **Financial Life Management**

This service involves an ongoing relationship with a planner that includes comprehensive financial planning, investment management, and standard tax preparation (as needed) for a flat annual fee (paid in monthly or quarterly installments).

Clients get continuous access to a planner who will work with them to design and help implement their financial plan, manage their investment portfolio, and prepare and file their tax returns. The planner will monitor the plan, recommend any changes and ensure the plan is up to date. Clients will have regularly scheduled meetings throughout the term of the engagement, depending on

their individual situation. In addition to scheduled meetings, additional in-person, virtual (phone or video chat), and/or email consultations are included at no additional cost.

Our firm provides continuous advice regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the client (i.e. maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Standard tax preparation is included with the Financial Life Management service at no additional charge. Standard tax preparation includes the preparation of a client's federal and state returns along with basic schedules (where applicable). Clients with more complex returns, including, but not limited to, business income and expenses (Schedule C), rental properties (Schedule E), additional state returns, or those with a filing status of Married Filing Separately, may be subject to an additional fee. Entelechy may utilize the services of a third-party accounting and tax planning firm to facilitate the preparation and filing of client tax returns and/or to provide tax planning services. Entelechy will work with clients and the third-party firm to gather the necessary information as part of this service.

Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Comprehensive Financial Planning**

This service involves working one-on-one with a planner over an extended period of time. By paying an annual fixed fee (in monthly or quarterly installments), clients get continuous access to a planner who will work with them to design and help implement their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Clients will be guided through the process of establishing their goals and values concerning money. They may be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If follow up meetings are required, we will meet at the client's convenience. The plan and the client's financial

situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Investment Management & Advisory Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Tax Preparation & Consulting**

This service involves the preparation of client tax returns or consulting related to a client's specific tax situation. Tax preparation & consulting is available as an add-on service to ongoing, comprehensive financial planning clients as a convenience, but may also be offered to other clients depending on availability. Entelechy may utilize the services of a third-party accounting and tax planning firm to facilitate the preparation and filing of client tax returns and/or to provide tax planning services. Entelechy will work with clients and the third-party firm to gather the necessary information as part of this service. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Seminars and Speaking Engagements**

Entelechy may offer educational seminars or workshops, and we are available for speaking engagements.

#### **Seminars**

We may provide educational seminars or workshops for groups seeking general advice on investing and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. Our seminars/workshops are educational in nature and do not involve the sale of insurance or investment products. Information presented will not be based on

any one person's need, nor do we provide individualized investment advice to attendees during our general sessions.

### **Speaking Engagements**

We may present at businesses, associations, conferences or other events for individuals interested in learning more about personal finance, investing, running an RIA practice, or other topics. The content of speaking engagements will vary depending upon the needs of the attendees. Speaking engagements are educational in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need, nor do we provide individualized investment advice to attendees during speaking engagements.

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

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (tax levels, risk tolerance levels, etc.) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

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

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Forms of payment are based on the types of services being provided, term of service, and client preference. Payment is made via check or draft from a U.S. financial institution as well as through qualified, unaffiliated third-party processors or the custodian of record maintaining the client's account; both requiring the client's prior authorization. We do not accept cash, money orders or similar forms of payment for advisory engagements.

How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### **Financial Life Management**

Financial Life Management includes ongoing financial planning, investment management, and standard preparation of a client's tax returns, as needed. Fees for Financial Life Management consist of an ongoing, flat annual fee of \$6,000 - \$10,000, prorated and paid monthly or quarterly. Fees may be negotiable in certain cases, and will be detailed in the client agreement.

For new client engagements, the first five months of the annual fee are typically due in advance, with a deposit (not to exceed \$500) due upon signing prior to an anticipated onboarding date (e.g. the 1<sup>st</sup> of the following month), and the remainder of the first five months billed and due once onboarding begins. Entelechy will not bill an amount above \$500 six months or more in advance. After the first five months, the ongoing fee is paid in either monthly or quarterly installments, in arrears. Entelechy may bill an adjusting, prorated amount so that monthly or quarterly billing aligns with calendar months or quarters. No increase in the annual fee shall be effective without prior written notice to the client or amendment to their current advisory agreement. This service may be terminated with 30 days' prior written notice. Upon termination of any engagement, the fee will be prorated and any unearned fee will be refunded to the client. The balance of any earned fees will be charged to the client.

Standard tax preparation is included with Financial Life Management at no additional charge. Standard tax preparation includes the preparation of a client's federal and state returns along with basic schedules (where applicable). Clients with more complex returns, including, but not limited to, business income & expenses (Schedule C), rental properties (Schedule E), additional state returns, or those with a filing status of Married Filing Separately, may be subject to an additional fee. A total estimate of additional fees (if any) will be provided in writing to clients prior to return preparation, and the final fee will be disclosed and invoiced prior to completion and filing of a client's returns. The total additional fees for complex returns can range from \$0 - \$5,000 and may be negotiable in certain cases.

## Comprehensive Financial Planning

*Effective January 1, 2019, this unbundled service and associated pricing is only available to existing clients with previously executed agreements, unless otherwise communicated.*

Our Comprehensive Financial Planning service is designed for those in need of an initial financial plan, as well as ongoing plan implementation assistance. The service consists of an initial planning fee ranging from \$1,500 - \$3,000, and an ongoing annual fee ranging from \$1,200 - \$3,000 (\$100-\$250 per month, or \$300-\$750 per quarter). The standard ongoing annual fee is \$3,000, but clients may be eligible for potential discounts based on their pre-tax household income and the complexity of their financial situation in order to make the service more affordable and accessible. These discounts are detailed in the table below.

<b>Annual Pre-Tax Income</b>	<b>Annual Fee</b>	<b>Annual Fee (Paid Monthly)</b>
\$150,000 +	\$3,000 (standard)	\$250 (standard)
\$100,000 - \$150,000	\$2,400 (\$600 discount)	\$200
\$75,000 - \$100,000	\$1,800 (\$1,200 discount)	\$150
Under \$75,000	\$1,200 (\$1,800 discount)	\$100

These discounted annual fees based on income assume average financial complexity. While income is generally a reliable gauge of the complexity of a client's financial situation, both the initial planning fee and ongoing planning and implementation fee are based on the needs of the client, complexity of the client's financial situation, and time committed to developing and implementing the plan. Clients with annual pre-tax income below \$150,000 may be quoted a fee higher than the discounted fees outlined above based on the complexity of their unique financial situation, but never more than the standard annual fee of \$3,000. Fees may be negotiable in certain cases, and will be detailed in the client agreement.

The initial planning fee is due upon executing our agreement, however, Entelechy will not bill an amount above \$500 more than 6 months in advance. Clients paying the initial planning fee will typically receive a credit toward the first 3 months (first quarter) of ongoing planning and implementation service. The ongoing planning and implementation fee is paid in either monthly or quarterly installments (depending on client preference), in arrears. No increase in the annual fee shall be effective without prior written notice to the client or amendment to their current advisory agreement. This service may be terminated with 30 days' prior written notice. Upon termination of any engagement, the fee will be prorated and any unearned fee will be refunded to the client. The balance of any earned fees will be charged to the client.

## **Financial Planning Project**

Financial Planning is offered on a fixed fee basis for targeted or specific projects. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$250 and \$10,000, and may be negotiable. If a fixed fee program is chosen, half of the fee is due upon executing our agreement and the remainder is due at completion of work, however, Entelechy will not bill an amount above \$500 more than 6 months in advance. In the event of early termination, the client will be billed for the hours worked at a rate of \$250 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference.

## **Financial Planning Hourly Fee**

Financial Planning is offered at an hourly rate of \$250 per hour. The fee may be negotiable in certain cases. If the hourly fee program is selected, a minimum of one billable hour will be due upon executing our agreement. The fees for remaining hours worked are billed in fifteen (15) minute increments and due upon completion. In the event of early termination by the client, any fees for the hours already worked will be due.

## **Financial Planning Initial Consultation**

Financial Planning is offered on a fixed fee basis for initial consultations to provide clients with basic advice and determine if Entelechy is an appropriate fit for additional client needs. The initial

consultation fee can range between \$0 and \$500, and may be negotiable. If an initial consultation is scheduled, the fee is due upon execution of our agreement. Clients choosing to engage Entelechy for additional planning services beyond the initial consultation may receive a credit for those services based on the value of the initial consultation fee.

## Investment Management Services

*Effective January 1, 2019, this unbundled service and associated pricing is only available to existing clients with previously executed agreements, unless otherwise communicated.*

Investment Management is offered separately from Financial Planning as either an add-on or stand-alone service.

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
All	0.50%

The annual fees are negotiable and are pro-rated and paid in arrears on a quarterly basis. Advisory fees are calculated based on the entire supervised account balance as of the end of the previous quarter. Accounts will be valued in accordance with the values disclosed on the statement the client receives from the custodian for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek third-party opinion from a recognized industry source or accounting firm. No increase in the annual fee shall be effective without prior written notice to the client or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts. Alternatively, the client may choose to pay said fees directly to Entelechy in lieu of having the advisory fee withdrawn from their account. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

## Tax Preparation & Consulting

Tax Preparation is offered on a fixed fee basis, with a base fee that is due upon signing, and final fees based on the complexity of a client's tax return. In the event of early termination, the client will be billed for the hours worked at a rate of \$250 per hour. If the base fee is greater than the

amount billed, then the client will be refunded the difference. If the base fee is less, then the client will be billed the difference. A total estimate of fees will be provided prior to return preparation, and the final fee will be disclosed and invoiced prior to completion and e-filing of a client's returns. The total fixed fee for Tax Preparation can range between \$350 - \$5,000 per return, and may be negotiable.

Tax Consulting is available on a fixed price project basis or an hourly basis. For fixed price projects, half of the fee is due upon executing our agreement and the remainder is due at completion of work. The fixed fee for Tax Consulting can range between \$250 and \$10,000, and may be negotiable. In the event of early termination, the client will be billed for the hours worked at a rate of \$250 per hour. If the initial deposit is greater than the amount billed, then the client will be refunded the difference. If the initial deposit is less, then the client will be billed the difference. For hourly consulting, a minimum of one billable hour will be due upon executing our agreement. The fees for remaining hours worked are billed in fifteen (15) minute increments and due upon completion. In the event of early termination by the client, any fees for the hours already worked will be due.

Entelechy may utilize the services of a third-party accounting and tax planning firm to facilitate the preparation and filing of client tax returns and/or to provide tax consulting services. If utilizing the services of a third-party firm, clients will be billed for the cost of said firm to provide services based on their current pricing, plus the cost of Entelechy's time and involvement in the engagement. The additional fee for Entelechy's time and involvement in tax preparation and/or consulting engagements can range between \$0 - \$250.

In all cases, the total fixed fee billed for a Tax Preparation or Tax Consulting engagement shall not exceed the ranges described above. A total estimate of fees will be provided in advance via a Tax Preparation & Consulting Agreement, and the final fee will be disclosed and invoiced prior to project completion and/or filing of a client's returns.

## **Seminars and Speaking Engagements**

Educational seminars, workshops, or speaking engagements are offered on a fixed fee basis. The fixed fee will be agreed upon before the engagement. The fixed fee can range between \$0 - \$20,000 per event, or \$0 - \$500 per participant, and may be negotiable. For events or workshops hosted and paid for by sponsors (e.g. a business or association), half of the fees are due prior to the event, and half are to be paid no later than the conclusion of the event. For events or workshops paid for directly by attendees or participants, the fee is due in full prior to the event. The fee is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. In the event of client cancellation or rescheduling, the client will still be responsible for reimbursement of any non-refundable travel expenses already incurred, and will provide payment for 50% of the fixed fee if the cancellation occurs within thirty (30) days of the event. Payment of 50% of the fixed fee due to client cancellation within thirty (30)

days is made to compensate Entelechy for time spent preparing for the event, as the majority of seminar, workshop, and speaking engagement work effort is made prior to the actual date of the event itself, and typically well in advance of thirty (30) days prior to the event.

## Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept 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

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We do not offer performance-based fees.

## Item 7: Types of Clients

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We offer services to individuals, retirement plans (including pension, profit sharing plans, defined benefit plans and defined contribution plans), trusts, estates, charitable organizations, corporations and business entities.

We do not have a minimum account size requirement.

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

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We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

## **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored

status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

## Item 9: Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Entelechy or the integrity of our management. We have no information applicable to this Item.

## Item 10: Other Financial Industry Activities and Affiliations

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No Entelechy employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No Entelechy employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Entelechy does not have any related parties. As a result, we do not have a relationship with any related parties.

Entelechy only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

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

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As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.

- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We will, upon request, promptly provide a complete code of ethics.

Our firm and its "related persons" (associates, their immediate family members, etc.) may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## Item 12: Brokerage Practices

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### Factors Used to Select Custodians and/or Broker-Dealers

Entelechy LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to clients based on their need for such services. We believe that the custodians we recommend provide quality execution services for our clients at competitive prices, as determined by comparing said prices to the those of other available custodians with similar services. Price is not the sole factor we consider in evaluating best execution. We consider the quality of the brokerage services provided, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

Entelechy participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisers services which include custody of securities, trade execution, clearance, and settlement of transactions. Entelechy receives some benefits from TD Ameritrade through its participation in the program as disclosed below in Item 12A(3).

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

We currently do not receive soft dollar benefits.

As part of its fiduciary duties to clients, Entelechy endeavors at all times to put the interests of its clients first. Clients should be aware, however, that we may have an incentive to select or recommend a broker-dealer based on our interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution.

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

We receive 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**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

Entelechy participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. There is no direct link between Entelechy's participation in the program and the investment advice it gives to its clients, although Entelechy receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Entelechy participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Entelechy by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Entelechy's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Entelechy but may not benefit its client accounts. These products or services may assist Entelechy in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Entelechy manage and further develop its business enterprise.

The benefits received by Entelechy or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Entelechy endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Entelechy or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Entelechy's choice of TD Ameritrade for custody and brokerage services.

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

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading.

Entelechy's practice is to analyze and trade client accounts individually utilizing primarily mutual funds and not individual securities, so there is limited opportunity to seek potential cost savings with aggregated trades. Occasionally, Entelechy will aggregate the purchase or sale of individual fixed income securities in an effort to obtain a cost advantage. In this case all accounts involved receive the same price for the security.

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

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Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Benjamin R. Brown, CFP®, EA, President and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Entelechy may provide written reports to Investment Management clients on a monthly, quarterly, or annual basis. We urge clients to compare these reports against the account statements they receive from their custodian.

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

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We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

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Entelechy does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client accounts from which Entelechy directly debits their advisory fee:

- i. Entelechy will send a copy of its invoice to the custodian at the same time that it sends the client a copy;
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee; and
- iii. The client will provide written authorization to Entelechy, permitting them to be paid directly for their accounts held by the custodian.

## Item 16: Investment Discretion

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For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## Item 17: Voting Client Securities

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We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, nor have we been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities, nor do we require or solicit prepayment of more than \$500 in fees per client six months in advance.

## Item 19: Requirements for State-Registered Advisers

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For further information regarding the principal executive and management personnel of Entelechy LLC, their business activities, as well as material conflicts of interest, please refer to information previously disclosed in Item 6, Items 9 - 11, and the accompanying Form ADV Part 2B brochure supplement that immediately follows this brochure.

Per Item 6 of this brochure, Entelechy LLC is not compensated by performance-based fees.

Per Item 10 of this brochure, neither Entelechy LLC nor any member of its management has a material relationship with issuers of a securities.



Entelechy LLC

9011 Lindale Drive  
Bethesda, MD 20817  
202-770-2007

Dated February 7, 2021

**Form ADV Part 2B – Brochure Supplement**

*For*

**Benjamin R. Brown, CFP®, EA**

President and Chief Compliance Officer

This brochure supplement provides information about Benjamin R. Brown, CFP®, EA that supplements the Entelechy LLC (“Entelechy”) brochure. A copy of that brochure precedes this supplement. Please contact Benjamin R. Brown, CFP®, EA if the Entelechy brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Benjamin R. Brown, CFP®, EA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6496654.

# Item 2: Educational Background and Business Experience

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**Benjamin R. Brown, CFP<sup>®</sup>, EA**

Born: 1988

## Educational Background

- 2014 - CERTIFIED FINANCIAL PLANNER™ Education Program, Northwestern University
- 2011 – Bachelor of Arts, The College of William and Mary

## Business Experience

- 2017 – Present, Entelechy LLC
  - President and CCO
- 2014 – 2017, Focus Wealth Management, LTD.
  - Director of Operations & Technology
  - Financial Advisor
- 2012 – 2014, Portal Solutions, LLC
  - Resource Manager
- 2012 – 2014, Oak Park Economic Development Corporation
  - Marketing & Operations Manager

## Professional Designations, Licensing & Exams

**CFP<sup>®</sup> (Certified Financial Planner):** CERTIFIED FINANCIAL PLANNER™, CFP<sup>®</sup> and federally registered CFP (with flame design) marks (collectively, the “CFP<sup>®</sup> marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from

a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered over 6 hours, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct.

The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Enrolled Agent (EA):** An Enrolled Agent (EA) is a federally-authorized tax practitioner who has technical expertise in the field of taxation and who is empowered by the U.S. Department of the Treasury to represent taxpayers before all administrative levels of the Internal Revenue Service for audits, collections, and appeals.

“Enrolled” means to be licensed to practice by the federal government, and “Agent” means authorized to appear in the place of the taxpayer at the IRS. Only Enrolled Agents, attorneys, and CPAs may represent taxpayers before the IRS. The Enrolled Agent profession dates back to 1884 when, after questionable claims had been presented for Civil War losses, Congress acted to regulate persons who represented citizens in their dealings with the U.S. Treasury Department.

The license is earned in one of two ways, by passing a comprehensive examination which covers all aspects of the tax code, or having worked at the IRS for five years in a position which regularly

interpreted and applied the tax code and its regulations. All candidates are subjected to a rigorous background check conducted by the IRS.

Enrolled Agents advise, represent, and prepare tax returns for individuals, partnerships, corporations, estates, trusts, and any entities with tax-reporting requirements. Enrolled Agents' expertise in the continually changing field of taxation enables them to effectively represent taxpayers audited by the IRS.

The IRS Restructuring and Reform Act of 1998 allows federally authorized practitioners (those bound by the Department of Treasury's Circular 230 regulations) a limited client privilege. This privilege allows confidentiality between the taxpayer and the Enrolled Agent under certain conditions. The privilege applies to situations in which the taxpayer is being represented in cases involving audits and collection matters. It is not applicable to the preparation and filing of a tax return. This privilege does not apply to state tax matters, although a number of states have an accountant-client privilege.

In addition to the stringent testing and application process, the IRS requires Enrolled Agents to complete 72 hours of continuing professional education, reported every three years, to maintain their Enrolled Agent status. Due to the knowledge necessary to become an Enrolled Agent and the requirements to maintain the license, there are only about 46,000 practicing Enrolled Agents.

Only Enrolled Agents are required to demonstrate to the IRS their competence in matters of taxation before they may represent a taxpayer before the IRS. Unlike attorneys and CPAs, who may or may not choose to specialize in taxes, all Enrolled Agents specialize in taxation. Enrolled Agents are the only taxpayer representatives who receive their right to practice from the U.S. government (CPAs and attorneys are licensed by the states).

Enrolled Agents are required to abide by the provisions of the Department of Treasury's Circular 230, which provides the regulations governing the practice of Enrolled Agents before the IRS.

## Item 3: Disciplinary Information

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No management person at Entelechy has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

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Benjamin R. Brown, CFP®, EA is an occasional freelance contributor to financial industry publications. This activity accounts for less than 10% of his time.

## Item 5: Additional Compensation

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Benjamin R. Brown, CFP®, EA does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Entelechy LLC.

## Item 6: Supervision

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Benjamin R. Brown, CFP®, EA, as President and Chief Compliance Officer of Entelechy LLC, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

Mr. Brown adheres to, and confirms all supervised persons are in compliance with, all applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual designed to ensure compliance with applicable state securities laws.

Mr. Brown also periodically reviews advice provided to clients on at least an annual basis as outlined in the firm's compliance manual.

## Item 7: Requirements for State Registered Advisers

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Benjamin R. Brown, CFP®, EA has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.