



**3800 COLONNADE PARKWAY, SUITE 300  
BIRMINGHAM, AL 35243  
(205) 208-8700  
WWW.BRIDGEWORTHFINANCIAL.COM**

**March 2017**

This Item 1: Cover Page to our Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure provides information about the qualifications and business practices of Bridgeworth, LLC. Questions about the contents of this brochure can be addressed by contacting us by telephone at (205) 208-8700 or email at [donna@bridgeworthfinancial.com](mailto:donna@bridgeworthfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Bridgeworth, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bridgeworth, LLC is 164100 or SEC#801-76956.

Please note use of the term "registered investment adviser" and description of Bridgeworth, LLC and/or our associates as "registered" does not imply a certain level of skill or training. We encourage clients and prospective clients to review this Brochure and Brochure Supplements for our firm's associates for more information on the qualifications of our firm and its employees.

## Item 2: Material Changes

Bridgeworth, LLC is required to advise you of any material changes to our Wrap Fee Program Brochure ("Wrap Brochure") from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

Since our last annual updating amendment of 03/28/2016,

- We have changed our fee schedule by compressing two lower level tiers into one for amounts between \$0 - \$500,000, included one additional tier and changed an allowance for negotiation for assets under management from \$10,000,000 to over \$20,000,000. We have also increased the maximum fee limits on each tier.
- Charles Zachary Ivey became a Managing Member of Bridgeworth, LLC., in October of 2016.
- Jennifer Wagner Sneed became a Managing Member of Bridgeworth, LLC., in February of 2016.
- Item 4: We have added disclosure of potential conflicts related to wrap accounts that may trade infrequently.
- We no longer conduct business at a satellite office, located at 4144 Carmichael Road, Montgomery, Alabama 36106.
- We have opened a new satellite office, located at 1415 Kathy Lane, Decatur, Alabama 35601.

### Item 3: Table of Contents

<b>Topic:</b>	<b>Page(s):</b>
Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Services, Fees & Compensation.....	4
Item 5: Account Requirements & Types of Clients .....	6
Item 6: Portfolio Manager Selection & Evaluation.....	6
Item 7: Client Information Provided to Portfolio Manager .....	8
Item 8: Client Contact with Portfolio Manager .....	8
Item 9: Additional Information.....	8

## Item 4: Services, Fees & Compensation

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. We manage \$824,495,161 on a discretionary basis and \$6,403,069 on a non-discretionary basis as of December 31, 2016. The total amount of client asset under our management is \$830,898,230 however, along with our affiliated firm, Bridgeworth Financial, we advise and make recommendations on over \$1.1 billion in client assets. Our firm is a limited liability company formed in the State of Alabama. Our firm has been in business as an investment adviser since 2012 and is owned in equal parts by the following members:

Larry Goldberg	Jeffrey McCormack
David Wayne Harris	Brian Hinson
Kathryn Michael	Jennifer Sneed
Henry Ware	Charles Zachary Ivey
DeLynn Zell	

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

We emphasize continuous and regular account supervision. As part of our Investment Management Wrap Fee service, we generally create a portfolio, consisting of individual mutual funds, exchange traded funds ("ETFs"), stocks or bonds, options, and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least annually and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We are required to describe fees and expenses and that our advisory fees are negotiable. Clients are advised that they may pay more or less than other clients for similar services, however, the fees clients will pay for advisory services will not exceed the fees established in the fee schedule below. The below are fees charged on wrap accounts.

### Investment Management Wrap Fee Program Fee Schedule:

<b>Assets under Management</b>	<b>Maximum Annual Percentage of Assets Charge*</b>
\$0-\$500,000	Up to 1.50%
\$500,001- \$1,000,000	Up to 1.30%
\$1,000,001- \$2,000,000	Up to 1.20%
\$2,000,001-\$3,000,000	Up to 1.00%
\$3,000,001-\$5,000,000	Up to 0.90%
\$5,000,001-\$10,000,000	Up to 0.75%
\$10,000,001 - \$20,000,000	Up to 0.55%
Over \$20,000,000	Negotiated**

Our firm's annualized fees are billed on a pro-rata basis quarterly in advance based on the value of your account on the last day of the previous quarter. As part of this process, clients are made aware of the following:

- a) Your qualified custodian sends quarterly statements to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) Adjustments will be made for deposits and withdrawals in your accounts;
- c) You provide authorization permitting us to be directly paid by these terms;
- d) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.
- e) LPL Financial will calculate and deduct advisory fees for accounts custodied with them. We use Orion Advisor Services to calculate fees that Schwab deducts from accounts custodied with them.

\* In certain circumstances we allow direct billing as an option to our Wrap Investment Management clients.

\*\* All investment management fees are at the discretion of the advisor. Wrap Investment management fees on accounts above \$20,000,000 are placed on an individual basis and depend on investment allocation, number of accounts, and investment strategy.

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include investment management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in client account(s). We do not charge our clients higher advisory fees based on their trading activity, but clients should be aware that we may have an incentive to limit our trading activities in client account(s) because we are charged for executed trades. If there is little or no trading activity in the account, it is possible that a client may pay more in advisory fees than commission charges if the account was a brokerage account. Bridgeworth might have a conflict of interest when managing a wrap fee account with little or no annual turnover, considering that Bridgeworth still earns the full wrap fee.

Our investment advisory representatives receive a portion of the advisory fee directly as a percentage of the overall fee paid by the client. Because our investment advisory representatives are paid a percentage of the client's overall advisory fee, this may create an incentive to recommend the client participate in a wrap fee program rather than a non-wrap fee program (where the client would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if the client's account is not actively traded.

We may include mutual funds and exchange traded funds, ("ETFs:") in our investment strategies. Bridgeworth's policy is to purchase institutional share classes of those mutual funds selected for the client's portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund.

As share classes with lower expense ratios become available, Bridgeworth may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower costs share class.

Clients who transfer mutual funds into their accounts with Bridgeworth would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

All mutual fund expenses and fees are disclosed in the respective mutual fund's prospectus.

### **Item 5: Account Requirements & Types of Clients**

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$250,000 for our Investment Management services;
- Minimum of \$50,000 with each portfolio manager;
- Generally, these minimums may be waived at the advisors' discretion.

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individual households;
- High Net-Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types.

### **Item 6: Portfolio Manager Selection & Evaluation**

Our firm utilizes outside portfolio managers as well as manages accounts by our in-house professionals. Acting as our own portfolio managers for the wrap fee programs may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program. When selecting and reviewing outside portfolio managers, the following factors provide the basis of our approach:

- past performance;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- disciplinary, legal and regulatory histories of the firm and its associates;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on client's monthly or quarterly statements or reports provided to us by third party portfolio managers. This information is relied upon for accuracy based on outside portfolio manager standards which are calculated on a uniform and consistent basis. For outside portfolio managers you should be aware that our firm cannot actively monitor outside portfolio managers conflicts of interest, daily trading activity and other operational issues.

See Item 4 of this Wrap Fee Program Brochure for information about our wrap fee advisory program services. We offer individualized investment advice to clients utilizing the following services offered by our firm: Wrap Investment Management. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Since it is our policy to prohibit our investment advisory representatives from soliciting or making discretionary purchases of securities which are \$2.00 or less in value, clients must provide their advisor with written trade authorization. Restrictions would be limited to our Investment Management services. We do not manage assets through our other services. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. We do not charge performance fees to our clients.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment philosophy is built on the basic beliefs that investors should be adequately compensated for the risks they take, should be positioned to have a high probability of reaching their goals, and avoid potentially disastrous risks. Our investment analysis and portfolio construction process seeks to balance the investor's risk tolerance and current resources capacity with their quest for reasonable investment returns.

Our investment strategies and analysis are developed and conducted by our advisory representatives and Investment Committee. We utilize quantitative analysis which may include analysis of management expertise, industry cycles, strength of research and development as well as fundamental analysis and research which includes reviewing financial analysts' reports to gain insight on the future performance of a security to guide our investment allocation decisions. We first consider the development of long-term capital market assumptions. We then work with the client to develop strategic asset allocations designed to address risk and reward over a given time period.

Other considerations are used to provide guidance on shorter-term decisions in investment management. These considerations include the timing of rebalancing, investing cash, making distributions, and tactical over or under-weights in the previously developed strategic allocation. These methods include technical analysis (charting current trends and trend reversals), quantitative analysis (reviewing market and economic trends), and global macro analysis of overall economic and political views of various countries.

We consider multiple time horizons, including long, medium, and short term, when determining strategies. Depending on the client's needs, we may employ various risk-management strategies. We avoid market timing, but may increase cash holdings or tilt allocation slightly when necessary. This is based on the client's risk tolerance and our expectations of market behavior.

The Bridgeworth Model Allocations serve as guidelines. The advisor has discretion to deviate from the asset allocations as shown in order to meet the client's risk and return needs. In most cases, however, the advisor is expected to follow the general allocations.

If the client's current investment allocations do not conform to the Bridgeworth Model Allocations (for example due to recent transfer to Bridgeworth, client holding preferences, etc.), the client are made aware that the advisor will make changes to the investment allocations over time considering such circumstances as market environment, tax ramifications, dollar cost averaging ramifications, and the client's wishes regarding particular holdings.

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and client account(s) could enjoy a gain, it is also possible that the stock market may decrease and client account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, are appropriately diversified in client investments, and ask us any questions they may have.

### **Voting Client Securities**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to the client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### **Item 7: Client Information Provided to Portfolio Manager**

Both our in-house advisory representatives that manage your accounts and portfolio managers in your custodian's sponsored advisory programs will have access to client information that is available through your qualified custodian. In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to portfolio managers when asked by the client, when market or economic conditions make it prudent to do so, etc.

### **Item 8: Client Contact with Portfolio Manager**

Our in-house advisory representatives that manage your accounts will be accessible to you during Bridgeworth's normal business hours. Please contact your Bridgeworth advisory representative for anything regarding your custodian's sponsored advisory programs which are managed by their portfolio managers that may be in your portfolio.

### **Item 9: Additional Information**

We have determined that our firm and management have no disciplinary information to disclose. The majority of our advisory representatives are registered representatives of LPL Financial, member FINRA, SIPC. Those advisory representatives of our firm who are registered representatives of LPL Financial may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn. Due to these registrations, LPL Financial is required under FINRA Rule 3040 to review personal securities transactions of our advisors by monitoring all client accounts managed by our firm. As a result, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Bridgeworth clients even if the client has not established an account through LPL Financial. LPL Financial operates pursuant to privacy standards which are found in its privacy policy. If you would like a copy of the LPL Financial privacy policy, please contact our Chief Compliance Officer at 205-208-8700. Please refer to your adviser's supplemental brochure for more information about his/her pertinent activities and affiliations.

Many of our representatives are licensed insurance agents. As such, they may have an incentive to sell and recommend insurance products to advisory clients. When such recommendations or sales are made, a conflict of interest exists as they may earn insurance commissions for the sale of those

products. Clients are under no obligation to purchase insurance products through our representatives.

We provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. Some service providers may provide wrap services. Please see important disclosures provided by the third party professionals.

## **1. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, our related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest,

---

<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients. We use block trades when possible and act in the client's best interest to mitigate the conflict of front running.

## 2. Review of Accounts

Each advisor who manages client accounts performs account reviews in preparation for the annual meeting or conference call we schedule with our clients. Advisors conduct an additional review of client accounts each year. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Annually, our Investment Committee reviews and recommends positions for which advisors may place in client accounts.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. Reports may be provided for accounts held away at various brokers from our recommended custodian.

## 3. Client Referrals & Other Compensation

We may receive from Custodians or mutual fund companies, without cost and/or at a discount support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations. Our clients do not pay more for investment transactions effected and/or assets maintained at the Custodians as result of this arrangement. There is no commitment made by us to Custodians or any other institution as a result of the above arrangement. Additionally, LPL may compensate our firm for on boarding advisors.

We may pay referral fees to independent solicitors for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm.

## 4. Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. We have never been the subject of a bankruptcy petition.