

# Centimillionaire Advisors, LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Centimillionaire Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (305) 333-1155 or by email at: [Richard@Centimillionaires.com](mailto:Richard@Centimillionaires.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 Centimillionaire Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Centimillionaire Advisors, LLC's CRD number is: 299484.*

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

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## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Centimillionaire Advisors, LLC 10/18/2022 are described below. Material changes relate to Centimillionaire Advisors, LLC's policies, practices, or conflicts of interest.

- Centimillionaire Advisors, LLC is registering as a State of Arizona Investment Advisor
- We no longer work with clients who are worth less than \$2.2M net worth

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Centimillionaire Advisors, LLC (hereinafter “CA LLC,” “we,” “the firm”) is a Limited Liability Company organized in the State of Florida. The firm was formed in February 2019, and the principal owner is Richard Carroll Wilson.

### B. Types of Advisory Services

#### Investment Deal Sourcing

CA LLC specializes in sourcing niche industry-specific direct investment deal flow for \$2.2M+ net-worth families and ultra-wealthy families. We advise on direct investment wealth advisory which is unique from traditional public market wealth advisory functions.

We have found many ultra-wealthy families need to improve their direct investment deal flow programs. And we have seen the result of this -- families are investing without a strategy, without a focus, with no defined strike zone. Worse than not having a great direct investment deal flow, many don't know what deals they should be investing in and why. CA LLC's intake form aims to explore what hasn't worked to date, how your wealth was created, and what the top are priorities regarding family needs. Whether you are experienced or just starting to move up the learning curves of managing your own direct investments, we can assist with originating deals both from our Rolodex of family office relationships and through proactive deal origination processes by leveraging our team. We offer only third-party investments and do not self-manager investments for clients, so we never manage directly assets or custody assets for our investors, it goes directly to third-party providers.

CA LLC does not take on investment discretion for clients and does not manage the client's overall financial situation. Instead, we seek to provide access to deals for the client to consider within their overall investment portfolio. To be clear, we do not advise on the client's total investment portfolio, retirement plans, or any other aspect besides sourcing for them these potential investments. While what we offer is not a full spectrum solution, this allows us to specialize in direct investment deal flow based on who our clients are and where they want to go with their portfolios.

Because of its focus on direct investment deal flow, CA LLC generally limits its advice to direct investments, which may include private equity funds, real estate funds, real estate assets, operating business investments, or other alternative or direct-to-asset investments. CA LLC may recommend other securities as well, but typically is not advising on stock portfolios, ETFs, bonds, mutual funds, etc.

## Solicitor / Selection of Other Adviser Services

For clients looking for an investment professional to provide additional investment advisory services, we recommend they work with Summa Group of Oppenheimer & Co. LLC out of Los Angeles, CA, and Twin Focus Capital Partners, out of Boston, MA. These are firms that may offer more typical advisory services and have an arrangement with CA LLC to share fees if you select them as your investment adviser. The recommendation is made via our online interface, after which you as the prospective client would contact the adviser to discuss and assess its offerings. Clients would not pay any extra fees due to these relationships and typically pay 35 basis points to 1.5% in fees for wealth management solutions with these groups. Our fee-sharing arrangements range from 10-35% depending on the referral partner and the amount of business referred to that wealth advisory firm over time.

For these solicitor referral relationships, CA LLC serves solely as the introducing/soliciting adviser and does not provide any other investment advisory services. CA LLC does not provide ongoing advisory services for this ongoing fee, and the disclosure document shows what fee % that is being shared. As such, CA LLC does not recommend specific securities or otherwise furnish investment advice.

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

Certain investments may be more fitting for certain types of clients and, depending on the client's intake form, different investment options may be presented to different clients based on their onboarding survey and requests. In some cases, clients ask for tailored types of deal flow or types of access to investments or strategies within their direct investment portfolio.

Since we do not have investment discretion, clients are able to choose the investments they want, meaning they can freely impose investment restrictions in accordance with their values or beliefs.

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

CA LLC does not manage or sponsor a wrap fee program.

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

We do not categorize the assets we advise on as regulatory assets under management due to the nature of our advisory operations. Rather, CA LLC advises families on their direct investment program and investments.

### **F. Due Diligence**

CA LLC requires a thorough onboarding risk questionnaire that asks clients for over 25 pieces of information related to their net worth, investment history, how they created their wealth, risk appetite, current income, maximum minimum investment, and many other questions to gauge their risk. We never offer startups, venture capital, angel investments, seed capital, cryptocurrency, or anything we would put into an even moderate-to-high risk bucket.

We are only putting things on our platform which are moderate-low, or low risk compared to many investments and then right-sizing what amount they may want to consider investing based on their net worth, risk levels, etc.

We will sometimes use VCheck for background checks on investment managers we recommend to others, they do over 30,000 background checks for private equity firms a year and are a trusted resource. We also ask questions about track record, performance, style drift, collateral in place, debt terms, and other issues related to liabilities and debt. We make a point to meet in person many times, watch the firm grow, and get to know the upper leadership and we error on showing less to our clients vs. more. Many times we lose investors because our deals are not risky enough, or we are too slow to show enough deals to them, and that is fine. We are not in the “get our clients rich business” our clients are already ultra-wealthy and look to us for income investments, conservative investments, and moderate return for low to moderate-risk investment opportunities.

We like to see founders of firms in a variety of environments and not just interviews via Zoom, email, or in person, but also in social interactions, how they treat their team, how they treat our staff, how they treat wait staff as restaurants, and how they act or change if they are drinking socially at a business event. If we believe the client is not a balanced, well-rounded person, and if we can't understand their investment strategy, how they make money or do not trust them as business leaders we do not go very deep on due diligence.

However, we are not analyzing their entire portfolio, balancing it, or crafting an asset allocation plan. We are wanting to understand their risk preferences, as perhaps they will want riskier deals than what we can offer, and we do not want to disappoint. We have turned away some crypto investor types who currently demand 25%+ returns a year. They are not going to get that from anything we offer for example. We keep a due diligence file on hand for each investment we go into, conduct background checks, and in-person meetings, ask questions about the strategy, and document that within our Dropbox folder on each manager. Oftentimes we get to know the investment managers over several years before working with them as well.

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

### **A. Fee Schedule**

Investment Deal Sourcing

1. We use performance-only fees that range from 5-20% (typically 10%) when it comes to our direct investment programs built for families worth \$2.2M+. This would mean that there are no acquisition, management, disposition, or asset management fees; just a 10% performance fee on total gains made from the investment in the asset netted out by any realized losses over the entire set of investments we have originated for you. For more time-intensive investments, CA LLC will charge a performance fee of up to 20%. The fee is negotiable, based primarily on the size and type of client.

The final fee schedule will be memorialized in the client's advisory agreement. CA LLC services may be canceled with 15 days' notice. As stated above, terminating the contract does not release clients from the terms or fees due from investments made while the contract was in force.

#### Solicitor / Selection of Other Adviser Services

CA LLC is compensated via a fee share from the third-party adviser for its solicitor services, CA LLC does not provide ongoing advisory services for this ongoing fee, and the disclosure document shows what fee % is being shared.

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

We only charge a performance fee ranging from 5-20% to investors we work with who must have a \$2.2M net worth or higher. The fee is negotiable based on the type of deal, size of client, and size of the investment. Our fees are collected from the client or from the investment advisory firm where the capital is placed. Fees are due upon the complete exit of an investment, and only once the investor is out of the deal is our performance fee calculated and due to us within 15 days at that point in time.

In full disclosure getting paid on performance fees means there is a risk that we would promote riskier deals to make more money. To counterbalance this, we have added another clause on how we charge fees. If a client invests in more than 1 deal with us and they lose money on an investment, we do not earn a profit share on any other investments until they are made "whole" and are making a net profit with us between all of our investments done to date. This is only fair so that we aren't making profit share fees while they have lost money net across all investments with us, and it reduces the risk of us showing only risky deals to our clients.

Please see Items 4, 5, 6, 7 & 8 of our Brochure. Some investments impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. Additionally, you will often pay transaction fees, if applicable, when we buy or sell an investment for your account, these are not charged by us but may be charged by those receiving your investment. You will pay certain

costs, whether you make or lose money on your investments to these third parties, not to us. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please also see our Brochure for additional details.

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

Clients are responsible for the payment of all third-party fees (i.e., third-party adviser fees, custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CA LLC. This is calculated on an absolute basis - not an annual. Our investments are illiquid, direct investments that do not easily allow us to calculate the value of a business or of a piece of real estate until either has been sold. This permits maximum alignment and the client's profit experience is our profit share experience. Otherwise, we run the risk of charging the client a fee, and then the market moves down.

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

CA LLC typically collects fees only when an investment is exited and only when a profit is made on an investment and where the client has not lost capital on any other investments made with the firm, as indicated above.

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

Neither CA LLC nor its supervised persons accept compensation for the sale of investment products, but we will in some cases recommend other wealth advisors as disclosed in our ADV who may be able to fulfill the traditional wealth advisory needs of families we work with. We have met with well over 1,000+ wealth advisors while running our business for 15 years in the investment industry, and we focus on referring business to just 2 wealth advisors whom we do get paid referral fees from, but that we think are the best of what is available. We have known each of these advisors for over a decade. The firm does, however, charge a performance-fee based on the results of its recommended investments as discussed otherwise in this ADV.

## **Item 6: Performance-Based Fees**

CA LLC only charges performance fees for its services and no other types of fees.

Additionally, clients paying a performance-based fee should be aware that investment advisers have the incentive to recommend riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes. We attempt to balance out this point by not charging performance fees to clients if they have lost capital on another investment with us until they have made money across all investments with us.

## Item 7: Types of Clients

CA LLC generally provides advisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Ultra-Wealth Investors
- ❖ Single Family Offices
- ❖ Wealth Advisors & Multi-Family Offices
- ❖ Investment Sponsors & Funds

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

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis & Investment Strategies*

CA LLC's primary method of analysis is fundamental analysis. **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. The firm's primary investment focus is long-term investing.

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

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### *Investment Strategies*

**Long-term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the



investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** CA LLC's selection process cannot ensure that money managers will perform as desired, and CA LLC will have no control over the day-to-day operations of any of its selected money managers. CA LLC would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Direct investments may include private equity funds, real estate funds, real estate assets, operating business investments, or other alternative or direct-to-asset investments. These have less liquidity than typical public market investments, targeted holding periods or investment periods may be extended during downturns, and the ultimate management and return of capital is done by the investment manager and not CA LLC (which helps oversee the selection and identification of these direct investment providers). Moreover, capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment. Each investment is retained on its own merit and, as always, the risk of each is unique and varied.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CA LLC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CA LLC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Richard Carroll Wilson is CEO of CA LLC. He has several business holdings outside of the firm. These include our direct ownership and operating companies in the area of data research, self-paced training programs, and event and conference business, and a consumer products business. **Mr. Wilson also runs the Family Office Club, an investor and investment firm community which hosts many live events per year. It is in part through running these events and providing thought leadership through websites such as <http://FamilyOffices.com> and <http://CapitalRaising.com>, that CA LLC is able to source deal flow, as investment opportunities are regularly presented to the Family Office Club.**

This creates a conflict of interest that we are disclosing here, as someone could be paying for access to those events, sponsoring those events, accessing those capital raising workshops, or using a related investor relations agency (PitchDecks.com), and then also become a client of CA LLC or a potential investment for CA LLC clients.

Specifically, a significant conflict of interest is that we would try to please a sponsor or paying member of the Family Office Club by connecting them to our clients. CENTIMILLIONAIRE ADVISORS, LLC clients should be aware of this, and it is being brought to your attention so we can address it directly. We genuinely want to work with investment firms on both sides that are credible, well established, have a good track record, are stable as a team and individuals, and have unique/compelling offerings, fee structures, and aligned investment vehicles. If at any time CA, LLC or its executives holds

equity, board seats, or advisory board positions with a company involved in a transaction there will be a frank and full disclosure of that relationship. In full disclosure this is the case with AIR Life Settlements and Group RMC, we have known both firms for 10 and 4 years each and watched both grow from \$100M and \$400M in AUM to \$500M and \$2.4B in AUM. These 2 sponsors of our conference business, out of a total of over 600 sponsors of our 150 live events, are the only ones on our platform. The other 598 are not, because we trust them the most, have due diligence complete on them, and have been able to watch them grow, hire high-quality staff members, and build strong platforms compared to everyone else. In this way, we try to use our event business to get to know investment managers over long periods of time through which we get to observe how they behave and work in the marketplace which lowers our counterparty risk and is part of our due diligence process.

Finally, CA LLC always acts in the best interest of the client and our clients always have the right to decide whether or not to utilize the services of any CA LLC representative in such individuals outside capacities.

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

CA LLC will direct certain clients to third-party investment advisers. CA LLC will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that CA LLC has an incentive to direct clients to the third-party investment advisers that provide CA LLC with a larger fee split. CA LLC will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients.

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

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

CA LLC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts, and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. CA LLC's Code of Ethics is available free upon request to any client or prospective client.

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

There are times during which CA LLC will have previously invested in a company or deal and have a stake in the outcome of that investment. This shows our conviction in the deal and helps us have that experience to share as well on a personal balance sheet or company level. This is disclosed and used as part of our process sometimes to get to know an investment, or when the investment is of personal interest to Richard C. Wilson (CA LLC's principal).

This presents a conflict of interest in that CA LLC, or its related persons may receive more compensation from investment in a security in which we or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. CA LLC always acts in the best interest of the client consistent with its fiduciary duties and clients are not required to invest in such investments if they do not wish to do so.

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

CA LLC will at times recommend securities that its representatives also invest in. This is not always the case, but it can happen and will always be disclosed verbally or in writing to each client when that is the case. This may provide an opportunity for representatives of CA LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CA LLC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

Please see Item 11.C above.

## **Item 12: Brokerage Practices**

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

CA LLC does not recommend brokers/custodians.

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

CA LLC does not trade clients' accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

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

CA LLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

CA LLC does not trade clients' accounts.

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

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

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

We provide an initial list of investment deals based on the client intake form and CA LLC's algorithm. Investment options will change from time to time. CA LLC provides ongoing oversight and review of accounts for clients, help with questions, reporting, reducing or adding to an allocation, or updates on changes in the market and how these may impact the investment. We help provide this investment advisory function for their direct investments. For example, getting a K-1 for an investment, discussing tax treatment, and pointing them to a CPA resource to answer all of these questions and concerns, etc.

Many times market changes bring up questions from clients, should they try to exit an investment, add to it, or how will the upcoming inflation or markets impact an investment. We help monitor client investments, answer questions and coordinate with investment providers to get answers to our clients.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

If CA LLC receives any economic benefit directly or indirectly beyond an investment manager participating in our other lines of business such as our events, training, workshops, sponsorship, investor relations agency work, etc. then that will be disclosed before the investment is completed.

As discussed above, at times, there could be relationships that do not want to operate under our performance fee agreement but simply want to be referred to another wealth advisor for which we solicit; in those cases, the applicable disclosure documents will be provided to the client before the engagement begins. CA LLC will be compensated via a fee share from the advisers to which it directs those clients.

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

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

## **Item 15: Custody**

CA LLC does not take custody of client accounts at any time. The custody of the client's accounts is held primarily by the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

CA LLC does not have discretion over client accounts at any time.

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

CA LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CA LLC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CA LLC nor its management has any financial condition that is likely to reasonably impair CA LLC's ability to meet contractual commitments to clients.

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

CA LLC has not been the subject of a bankruptcy petition.

## **Item 19: Requirements For State Registered Advisers**

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

CA LLC currently has only one management person: Richard Carroll Wilson. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

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

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

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

CA LLC accepts performance-based fees, fees based on a share of capital gains which is the combination of income received and their capital returned to them at the end of the investment period. This is described in detail in section 5 B above in this ADV.

To make this clear, if an investor puts \$1M into an investment, and it produces \$500,000 of cash flow (net of third-party fees charged) for 10 years, and then the investment is sold for \$1.5M (net of third party fees charged) their total return would be \$500K+ \$1.5M so \$2M in total minus their \$1M invested. This means they gained \$1M and if our performance fee was 10%, we would make \$0 the whole way until the investment is exited, and at that point, we would make \$100k. The \$100k for making the client \$1M would be due 15 days from the point of completely exiting the investment. Even if the agreement is canceled in year 2 between us and the client, the investment was introduced to the client while the agreement was in place, so the fees would still be due upon the exit.

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

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. This agreement may be canceled with 15 days' notice.

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

There are no civil, self-regulatory organizations, or arbitration proceedings to report under this section.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10. C and 11. B.