



**ADV PART 2A: BROCHURE**

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**June 23, 2022**

This brochure provides information about the qualifications and business practices of BrightTree Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at: 808-521 4401 or [servicerequest@brightfg.com](mailto:servicerequest@brightfg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about BrightTree Financial Group, LLC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CRD# 304721

## **Item 2      Material Changes**

### **Material Changes (as of last update on March 3, 2021):**

#### **College Funding Services/Fees deletion**

- BrightTree Financial Group, LLC no longer offers college funding services.

#### **Financial Planning Fees Schedule changes**

- Flat Fee: \$3500/initial
- Annual Service Fee: \$672/paid quarterly = \$168

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**Attachments**

Form ADV Part 2B Supplement

#### **Item 4 Advisory Business**

BrightTree Financial Group, LLC. ("BrightTree Financial") is a state-registered investment advisor with its principal place of business located in Hawaii. The firm is registered in Hawaii, California, Georgia, and Texas.

BrightTree Financial began conducting advisory business in 2019.

Harold Green – 100% owner and principal

#### **BrightTree Financial offers the following advisory services to its clients:**

##### **Investment Management**

Our portfolio management services include the following:

- Assessment of client's risk tolerance.
- Create investment strategy based on goals.
- Implement agreed upon strategy.
- Ongoing monitoring of strategy and investment performance.
- Conduct reviews no less than annually.
- Make changes to the portfolio if it is no longer performing according to goals.
- 401(k) management – Log in and manage company 401(k).

##### **Sub-Advisory Services**

We offer sub-advisory services to unaffiliated, third-party investment advisers. In this capacity, we offer the following services:

1. Advisor Firm Financial Overview
  - a. Provide top-down review of Advisor Firm
  - b. Review expenses, cash flow, and provide recommendations for improvement
  - c. Review current growth objectives and make recommendations to help grow AUM
2. Business Operations Overview
  - a. Review current team management and make recommendations to improve efficiency
  - b. Review service offerings and make recommendations
3. Client Planning Review systems
  - a. Review current plan management systems and make recommendations
4. Portfolio Management
  - a. Manage Advisor client accounts in accordance to risk objectives and financial plan
  - b. Review Advisor client accounts each quarter and deliver performance reports
  - c. Implement investments strategies using the following process

##### **Methods of Analysis and Investment Strategies**

Sub-Advisor is responsible for monitoring investment securities for each asset class.

The main sources of information used to analyze securities are Portfolio X-Ray® by Morningstar. Portfolio X-Ray is a sophisticated analytical tool that allows you to dissect your portfolio and gain a

clear view of your holdings.

Portfolio X-Ray allows you to evaluate your overall asset allocation and sector weightings as well as uncover concentrated positions, view the stock holdings behind your mutual funds, measure performance against benchmarks and industry indexes, and stay up to date on the latest news and corporate actions relating to your holdings. There are no additional costs to clients for use of this service.

## **Investment Strategies**

Sub-Advisor bases its primary investment strategy on the Rapid Retire program's retirement date.

Describe Investment Strategy used: The strategy used is based on a combination of the flooring technique and bucket strategy. Rapid Retire consist of three components. Cash Flow Management – Cash Reserve Systems – Income Generation. Each individual client receives a risk assessment and goals evaluation.

Our investments included but are not limited to stocks, bonds, mutual funds, and REITS. Risks are reduced using the fiduciary approach to investing as part of the Rapid Retire®Program.

## **Flooring Technique**

Flooring is classifying retirement expenses as essential or discretionary. Low-risk investments or annuity guarantees are selected to fund essential expenses. A mix of medium and high-risk investments is selected to fund discretionary expenses. Income is drawn from the respective pools to cover essential and discretionary expenses. By annuitizing a portion of the portfolio to pay for everyday expenses, a fixed income is created to simulate a defined-benefit pension plan.

## **Bucket Strategy**

The Bucket Strategy consists of setting up separate pools of investments with lowest-risk investments in the near-term segment, somewhat higher-risk investments in the next segment, and the riskiest portfolio (highest reward) in the longest-term segment. Income is then drawn down from one segment at a time, and when assets from one segment are depleted, assets from the second segment are used for income.

## **Financial Planning**

Our financial planning services includes the following:

- Reviewing and prioritizing your goals and objectives.
- Developing a summary of your current financial situation, including a net worth statement, cash flow summary, and insurance analysis.
- Reviewing your current investment portfolio and developing an asset management strategy.
- Developing a financial management strategy, including financial projections and analysis.
- Completing a retirement planning assessment, including financial projections of assets required at estimated retirement date.
- Assessing estate net worth and liquidity.
- Identifying tax planning strategies to optimize financial position.
- Presenting a written financial plan that will be reviewed in detail with you. It will contain

recommendations designed to meet your stated goals and objectives, supported by relevant financial summaries.

- Developing an action plan to implement the agreed upon recommendations.
- Referral to other professionals, as required, to assist with implementation of the action plan.
- Assisting you with the implementation of the financial plan.
- Determining necessity to revise your financial plan.

**California Advisors** - In accordance with **CCR Section 260.235.2**, we are required to disclose if a conflict exists between the interests of the investment adviser and the interests of the client. If so, the client is under no obligation to act upon the investment advisor's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser.

In accordance with **CCR § 260.238(k)**, Conflict of Interest Disclosure - In accordance with CCR § 260.238(k), any material conflict of interest relating to you or your representatives and employees that could be reasonably expected to impair the rendering of unbiased and objective advice does not promote "fair, equitable or ethical principles". Conflicts of interest may include, but are not limited to, (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in client transactions.

Our firm does not participate in any wrap fee accounts.

As of February 1, 2022, our firm has approximately \$70,961,982 in assets under management on a discretionary basis. We do not manage accounts on a non-discretionary basis.

**Item 5 Fees and Compensation Investment Management Fee Schedule:**

For: (1) retirement planning, (2) wealth management, (3) pension planning & advising services

Amount	% of Assets (Annual Fee)	% of Assets (Quarterly Fee)
Under \$100,000	2.41%	.6025%
\$100,000 - \$249,000	2.31%	.5775%
\$250,000 - \$499,999	2.21%	.5525%
\$500,000 - \$749,999	2.11%	.5275%
\$750,000 - \$999,999	2.01%	.5025%
\$1,000,000 - \$1,999,999	1.95%	.4875%
\$2,000,000 - \$2,999,999	1.85%	.4625%
\$3,000,000 and above	1.10%	.2750%

For: (3) pension planning & advising services

Amount	% of Assets (Annual Fee)	% of Assets (Quarterly Fee)
Under \$100,000	2.00%	.500%
\$100,000 - \$249,000	1.60%	.400%
\$250,000 - \$499,999	1.40%	.350%
\$500,000 - \$749,999	1.20%	.300%
\$750,000 - \$999,999	1.00%	.250%
\$1,000,000 - \$1,999,999	0.90%	.225%
\$2,000,000 - \$2,999,999	0.80%	.200%
\$3,000,000 and above	Negotiable	Negotiable

**Sub-Advisory Services Fee Schedule:**

Amount	% of Assets (Annual Fee)	% of Assets (Quarterly Fee)
Under \$10,000,000	.60%	.1500%
\$10,000,001 - \$25,000,000	.55%	.1375%
\$25,000,001 - \$50,000,000	.45%	.1125%
\$50,000,001 - \$75,000,000	.35%	.0875%
\$75,000,001 - \$100,000,000	.20%	.0500%
\$100,000,001 - \$250,000,000	.10%	.4875%
\$250,000,001 and above	Negotiable	Negotiable

**401(k) Investment Management Fixed Fees:** \$1,650 per year paid on a quarterly basis.

**Billing for Investment Management Services**

**Beginning Fees** - Advisor’s fees for the first calendar quarter during which this agreement is in effect shall be due and payable on the effective date. Advisory fees are payable quarterly based on the formula and schedule of rates set forth on the attached (see *Addendum A*).

**Billed in Advance** - Advisor’s fees for each subsequent calendar quarter during the term of this agreement shall be due and payable at the **beginning of each following quarter**.

Fees shall be deducted at the discretion of the client.

**Financial Planning Fees Schedule**

- Initial Planning Fee Year 1: \$3,500
- Planning Fee Year 2 & Beyond: \$672.00
- Hourly Fee if Chosen: \$525

**Billing for Financial Planning Services**

**Billed in Advance** - Advisor’s fees for each subsequent calendar quarter during the term of this agreement shall be due and payable at the **beginning of each following quarter**.

Flat fees will depend on the size and scope of financial planning projects.

Fixed fees will be billed directly from the account and broken down by quarter. Example: Fee =

\$672/4 = \$168 per quarter.

### **Direct Debiting of Fees for investment management and financial planning**

Client hereby authorizes Advisor to charge the Account for the full amount of Advisor's fees as such fees become due and payable, provided that Advisor maintains records showing (a) the amount of the fee, (b) the Account value (as defined herein) on which the fee was based and (c) the specific manner in which the fee was calculated; provided, further, that Client shall direct the Custodian to send to Client Monthly a statement indicating all amounts disbursed from the Account, including the amount of all fees paid to Advisor. Refer to Item 15 for our firm's full custody safeguarding requirements.

### **Termination of Services**

Client may terminate this Agreement upon notice to the Advisor at any time within five (5) days from the date hereof. Thereafter, either Client or Advisor may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other. Upon termination, any fees owed to the Advisor shall be paid by the Client on a prorated basis as of the effective date of termination.

### **Refund Policy**

If this agreement is terminated as of any day other than the last day of a calendar quarter or the effective date is any day other than the first day of a calendar quarter, where applicable, Advisor's fees shall be prorated to reflect the number of days in such calendar quarter that this agreement will be or was in effect. In the case that this agreement is terminated as of any day other than the last day of a calendar quarter, Advisor shall refund client by an amount equal to the difference between (a) the fees prepaid to Advisor for such calendar quarter and (b) the fees Advisor is entitled to retain pursuant to this paragraph.

### **Other Fees**

Our custodians may charge for these expenses and other brokerage transactional costs, such as load charges, 12B-1 fees and other administrative charges. The client will be responsible for any other miscellaneous charges incurred by our custodians. Please see review to Item 12: Brokerage Practices for an overview of other assessable fees.

**Advisory Fees in General:** clients should note that lower fees for comparable services may be available from other sources. (CCR 260.238(j)).

BrightTree Financial does not require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered.

### **Compensation from other investment products**

Clients should be aware that additional compensation by our firm and its management persons or access person may create a material conflict of interest.

A conflict of interest may also exist if for the fees we collect through offering additional investment management, insurance, and/or financial planning services. Our principals may have an incentive to recommend investment products based on compensation rather than the clients' needs.

Our firm will take these additional steps to address any material conflicts of interest:

- We will disclose to clients the existence of all material conflicts of interest to our clients.
- We will disclose to clients that they are not obligated to purchase any recommended investment products that we offer to our clients.
- We will collect and maintain accurate, complete and relevant client information which involves our client's financial goals, investment objectives and risk tolerance.
- Our supervised persons will conduct regular reviews of each client account.
- Our employees must receive approval for outside business activities.

Clients are not obligated to implement nor purchase any securities based on the recommendations of advisor. They may choose to implement the recommendations of other brokers or agents that are not affiliated with our firm.

BrightTree Financial does not receive 50% or more of its revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

BrightTree Financial does not charge advisory fees in addition to commission or mark ups for Financial Planning and/or Investment Management Services. We may receive insurance commissions in addition to the advisory fees that we charge to our clients. Clients are not obligated to purchase insurance, investment advisory, and/or financial advisory services from our firm.

Our fees are negotiable based on the size and complexity of a clients' account. Total fees charged by our firm will not exceed 3% of assets under management.

Pursuant to Board Rule 116.13(a), Any registered investment adviser who wishes to charge 3.0% or greater of the assets under management must disclose that such fee is in excess of the industry norm and that similar advisory services can be obtained for less.

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

BrightTree Financial does not charge any performance-based fees (or any other fees based on a share of capital appreciation or gains above a set benchmark).

Performance fees to "qualified clients" in accordance to Rule 205-3 (or similar state rules, which state a minimum requirement of \$1 million in managed assets and/or \$2.1 million in household net worth).

#### **Item 7 Types of Clients**

BrightTree Financial provides advisory services to the following types of clients

- Individuals
- High Net Worth
- Pension/Profit Sharing Plan
- Charitable Organizations
- Corporations/Other Businesses

The minimum account size is \$500,000 and is negotiable on a case-by-case basis with firm approval.

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

Advisor is responsible for monitoring investment securities for each asset class.

The main sources of information used to analyze securities are Portfolio X-Ray® by Morningstar. Portfolio X-Ray is a sophisticated analytical tool that allows you to dissect your portfolio and gain a clear view of your holdings.

Portfolio X-Ray allows you to evaluate your overall asset allocation and sector weightings as well as uncover concentrated positions, view the stock holdings behind your mutual funds, measure performance against benchmarks and industry indexes, and stay up to date on the latest news and corporate actions relating to your holdings. There are no additional costs to clients for use of this service.

### **Investment Strategies**

Advisor bases its primary investment strategy on the Rapid Retire program's retirement date

Describe Investment Strategy used: The strategy used is based on a combination of the flooring technique and bucket strategy. Rapid Retire consist of three components. Cash Flow Management – Cash Reserve Systems – Income Generation. Each individual client receives a risk assessment and goals evaluation.

Our investments included but are not limited to stocks, bonds, mutual funds, and REITS. Risks are reduced using the fiduciary approach to investing as part of the Rapid Retire® Program.

### **Flooring Technique**

Flooring is classifying retirement expenses as essential or discretionary. Low-risk investments or annuity guarantees are selected to fund essential expenses. A mix of medium- and high-risk investments is selected to fund discretionary expenses. Income is drawn from the respective pools to cover essential and discretionary expenses. By annuitizing a portion of the portfolio to pay for everyday expenses, a fixed income is created to simulate a defined-benefit pension plan.

### **Bucket Strategy**

The Bucket Strategy consists of setting up separate pools of investments with lowest-risk investments in the near-term segment, somewhat higher-risk investments in the next segment, and the riskiest portfolio (highest reward) in the longest-term segment. Income is then drawn down from one segment at a time, and when assets from one segment are depleted, assets from the second segment are used for income.

### **Types of Risk**

- **Market-related** events can affect all financial and/or securities industries. In these occurrences, often based on data with global implications, many companies, regardless of its size, structure, and financial condition, can experience swings in market valuation and securities pricing.
- **Interest-rate changes** may cause a swing in security pricing and market valuations. For

example, when bond yields increase, increase rates typically decrease. As such, this may make investors less incentivized, or similarly in inverse bond yield conditions, to hold onto certain security types.

- **Inflation levels**, due to an increase in the prices of goods and services, may cause swings in certain securities pricing.
- **Deflation levels**, due to a decrease in the prices of goods and services, may cause swings in certain securities pricing.
- **Currency fluctuations**, due to global micro or macro-economic conditions, can bring added risk to an underlying security. Certain security types may have more or less risk given its ties to a certain currency, especially if a company's operations, taxes or profit margins are dependent on exchange rates. This level of risk is largely due to the fact that many currencies are pegged against other world currencies.
- **Credit/Debt changes**, due to a company/securities exposure to debt or other related defaults, can cause a swing in equity/market valuations. The ability of a debtholder to pay a debt may be factored into the pricing on the security/investments (e.g., bond, credit based mutual funds). In addition, the amount of credit available to an underlying company, may factor into its ability to grow, and thus could affect securities/market valuation and earnings.
- **Commodity risk** may occur if/when a security pricing or company is prone to seasonal or cyclical market conditions associated with a certain commodity. For example, a security with that purchases steel, rubber, or other commodities for its underlying companies, may pose an added risk to an investment position.
- **Industry Specific issues** may occur if/when a security or company is prone to seasonal or cyclical market dynamics associated with a certain industry. For example, a company with ties to the retail space may have swings associated with earnings season or a holiday projection.
- **Equity/Liquidity issues** may arise if an investment manager experiences difficulty when attempting to exit a position due to a security within a limited market of buyers and sellers (e.g., illiquid securities, secondary market securities, low float stocks).
- **Management level** risks can occur based on the performance of management. For example, financial mistakes due to management decisions or frequent changes senior level staff (e.g., CEO exits due to improprieties or internal strife) can cause swings in securities/market valuations.
- **Premium Risk** is associated the minimum amount of money by which the expected return on a risky asset must exceed the known return on a risk-free asset in order to induce an individual to hold the risky asset rather than the risk-free asset.

### **Security/Products Types of Risk**

- **Mutual Fund and Exchange Traded Fund ("ETF")** risks may be associated with the Fund's NAV/market price, trading price, yield, costs, and ability to meet its investment objectives.
- **Real Estate Investment Trusts ("REITs") risks** may be associated with changes in real estate prices, credit markets, interest rates, and overall market condition as mentioned above.

## **Risk associated with Rapid Retire Product**

- Rapid Retire consist of three components. Cash Flow Management – Cash Reserve Systems – Income Generation. Each indivial client receives a risk assessment and goals evaluation.

The risks are mitigated through a balance of short-term, intermediate, & long-term investments.

## **Disclosure**

Investing in securities does involve risk of loss that clients should be prepared to bear. The risks can range from failing to keep pace with inflation to losing some or all of the money you invest.

## **Item 9 Disciplinary Information**

We are required to disclose if there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of your management. BrightTree Financial has no disciplinary history to report.

## **Item 10 Other Financial Industry Activities and Affiliations Applications for registration as a broker-dealer/registered representative**

BrightTree Financial, nor any of its management persons, has a registration, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Applications for futures/commodity/other merchants**

BrightTree Financial, nor any of its management persons, has a registration or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities

### **Relationships/Affiliations**

Harold A. Green is the founder of Fresh Start Financial, LLC which was established in 2005. Fresh Start Financial also provides college funding services. He spends approximately 4 hours per week on these activities.

In addition to these activities, Harold may be compensated directly by an insurance carrier for fixed products such as annuities, life insurance, long term care and Medicare Supplements. He spends approximately 10 hours per week on these activities.

### **Other Investment Managers**

BrightTree Financial, and its management persons, may select other investment advisers for our clients and may receive compensation directly or indirectly from those advisers. Our firm will make sure the third-party adviser is properly licensed or reported in the statethe client resides. We understand that creates a material conflict of interest.

### **How we handle conflict of interests**

Clients should be aware that any additional compensation by our firm and its management persons

or access person may create a material conflict of interest. A conflict of interest may also exist if for the fees we collect through offering additional investment management, insurance, and/or financial planning services.

Our firm will take the following steps to address any material conflicts of interest:

- We will disclose to clients the existence of all material conflicts of interest to our clients.
- We will disclose to clients that they are not obligated to purchase any recommended investment products that we offer to our clients.
- We will collect and maintain accurate, complete and relevant client information which involves our client's financial goals, investment objectives and risk tolerance.
- Our supervised persons will conduct regular reviews of each client account.
- Our employees must receive approval for outside business activities.

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

BrightTree Financial has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and the fiduciary duty it owes to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

All supervised persons at BrightTree Financial must acknowledge the terms of the Code of Ethics annually, or as amended. BrightTree Financials' employees and persons associated with BrightTree Financial are required to follow BrightTree Financials' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of BrightTree Financial and its affiliates may trade for their own accounts in securities, which are recommended to and/or purchased for BrightTree Financials' clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of BrightTree Financial will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. There are circumstances where employees invest in the same securities as clients. In those circumstances, employees could benefit from the client's market activity in the security or securities. However, employee trading is continually monitored under the Code of Ethics to detect and prevent employees from trading based on client activity, and to reasonably prevent conflicts of interest between BrightTree Financial and its clients.

BrightTree Financials' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting BrightTree Financial.

#### **How we handle conflicts of interest**

Our firm will take these additional steps to address any material conflicts of interest:

- We will disclose to clients the existence of all material conflicts of interest to our clients.
- We will disclose to clients that they are not obligated to purchase any recommended investment products that we offer to our clients.

- We will collect and maintain accurate, complete and relevant client information which involves our client’s financial goals, investment objectives and risk tolerance.
- Our supervised persons will conduct regular reviews of each client account.
- Our employees must receive approval for outside business activities.

**Item 12 Brokerage Practices**

BrightTree Financial participates in the advisor services programs of Aspire planning, Folio Institutional, and Charles Schwab.

**About Folio:** Folio Institutional delivers complete solutions to financial advisors, professionals, institutions, and their clients. Their focus on investment innovation has enabled them to build a leading platform for low-cost diversification, suitable for clients of any size.

Folio Institutional was founded to provide advisors and other professionals with the tools they need to deliver better solutions to their clients. With the Folio platform:

Investors of all sizes and investment styles can enjoy the advantages of a flexible and diversified portfolio, with

Transparency and direct control over the securities they own, and

Reduced costs from commission free-trading, fee-free portfolios, and better control of capital gains taxes.

**About Schwab:** Schwab Advisor Services serves independent investment advisors and includes the custody, trading and support services of Schwab.

**About Aspire:** Aspire provides smart retirement solutions for advisors that provide access to complete retirement account management including investment selection, on-demand plan data, reports and communications with all stakeholders.

**Factors Used to Select Broker-Dealer Custodians**

We may recommend that our portfolio management clients use the custodial and brokerage services of Folio, Schwab, and Aspire all SEC-Registered broker-dealers and FINRA and SIPC member firms.

**Factors in recommending brokers**

In recommending our brokerages, we have taken into account the firm’s ability to provide professional services, our experience with Folio, their reputation, their quality of execution services, and the cost of such services.

Among other factors, as part of the standard packages of services available to all advisers and their clients who use Folio as a custodian, Folio offers a unique “window trading” methodology for executing orders (described in detail on [www.folioclient.com](http://www.folioclient.com)); a model manager exchange; advisory fee billing services; online access to the brokerages platform to enter orders, view account information and use tax management functionality; and performance reports. Our firm conducts periodic assessments of custodians involving a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers. While we recommend that you use one of our recommended brokerages, it is your decision whether to do so. You open

your account directly with our recommended brokerages by entering into an account agreement. We do not open a Folio account for you, although we will assist you in doing so.

### **Research and Other Soft Dollar Benefits**

The commissions and/or transaction fees charged by our recommended brokerages may be higher or lower than those charged by other custodians. Clients engaging for portfolio management services authorize the Advisor to determine the securities to be bought and sold, including the number of shares and/or dollar value.

We do not receive any soft dollar benefits.

The firm did not direct any client transactions or offer any products/services in the previous fiscal year.

### **Brokerage for Client Referrals**

The commissions and/or transaction fees charged by Folio may be higher or lower than those charged by other custodians.

We do not receive any client referrals from a broker-dealer and/or third parties.

Therefore, we do not have any incentives to select or recommend a broker-dealer based on our interest in receiving client referrals, rather than on our clients' interest in receiving most favorable execution.

Please review our summary of "How we handle potential conflicts of interest in our summary provided in Item 4 and Item 11 of our ADV. The firm did not direct any client transactions in the previous fiscal year.

### **Directed Brokerage**

Client assets must be held at a qualified custodian which is generally a broker-dealer or bank.

BrightTree Financial will recommend client assets to be held at our recommended brokerages. All brokerages are unique in that it offers trading in fractional shares.

Our clients should understand that, that by directing our clients to use brokerage services provided by Folio, we may be unable to achieve most favorable execution of client transactions, and that this practice may cost our clients more money.

We do not require our clients to open a brokerage account with our recommended brokerages and have no economic relationship nor any other conflict of interests to disclose with our recommended brokerages.

Our clients may direct its accounts to another brokerage but may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, and ultimately, they may receive less favorable prices.

### **Aggregating Securities Transactions**

Our firm does not aggregate purchases and sales for various client accounts. However, orders are aggregated by Folio as part of its patented "Window Trade" process. Instead of being executed

immediately, Folio Window orders are processed one or more times per day and executed generally around 11 a.m. ET and 2 p.m. ET. In the Window Trade process, Folio aggregates orders designated for trading in the Window based on the ticker symbol of each security and whether it is a buy or sell order. An aggregated order may include any combination of orders from your accounts, other customer accounts, and Folio's firm account. Folio generally routes aggregated orders to a market maker for execution or to a mutual fund company for fulfillment. Folio may also execute Window orders entirely by using its own inventory of securities. All Folio customers receive the same execution price for any given Window trade.

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

#### **Periodic Review**

Harold Green reviews all investment accounts no less than a quarterly/monthly basis following receipt of account information from our custodian. The nature of the review will include general market conditions as well as a client's investment objective, risk tolerance, goals, and overall performance among other things. Mr. Green, the firm's principal will be conducting reviews of behalf of its clients.

#### **Factors that Trigger a Review**

Harold Green will periodically review accounts to ensure that the portfolios meet client objectives. Mr. Green will review accounts more frequently should a change in client's objectives or a market event warrant a course of action.

#### **Frequency of reports**

Client will receive an updated report annually in their E-Wealth portal. The report content will include a summary of a clients' investments, performance, portfolio allocations, and risk tolerance assets.

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

BrightTree Financial does not either directly or indirectly, compensate any person (defined as a natural person or an entity) for client referrals.

### **Item 15      Custody**

We do not take constructive custody of any client assets. As a discretionary advisor, we may have a form of custody and will follow, and applicable net worth and/or financial requirements based on our home state.

#### **Safeguarding of Client Assets**

BrightTree Financial has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

Each time a fee is directly deducted from a client account, firm concurrently:

- Sends a copy of your invoice to the custodian or trustee at the same time that we send a copy to the client. and/or
- Sends the client a quarterly invoice or statement showing all disbursements for the custodian account. Itemization includes the formula used to calculate the fee, the value of

the assets under management on which the fee is based, and the time period covered by the fee.

- Maintains written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- Notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided above.

Clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. Clients that receive an account statement from us should also compare with the account statements they receive from the qualified custodian.

### **Item 16 Investment Discretion**

BrightTree Financial accepts discretionary authority for its client accounts. Firm shall have limited power of attorney to direct, manage, and change the investment and reinvestment of all assets in the Account, and to take other action with respect to the accounts, *without prior permission from client*. Before assuming discretionary authority, our firm will have our clients enter into a signed investment advisory agreement, which includes a disclosure that grants our firm a limited power of attorney.

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

BrightTree Financial does not vote proxies for its client accounts. There are no conflicts of interest to report at this time. Clients, who elect to vote their own proxies, may contact their custodian for its proxy voting delivery procedures and practices.

### **Item 18 Financial Information**

BrightTree Financial does not require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered.

BrightTree Financial is also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. BrightTree Financial has no additional financial circumstances to report.

BrightTree Financial has not been the subject of a bankruptcy petition at any time during the past ten years.

### **Item 19 Requirements for State-Registered Advisers**

Harold Green – 100% owner and principal

Harold A. Green is the founder of Fresh Start Financial, LLC which was established in 2005. Fresh Start Financial also provides college funding services. He spends approximately 4 hours per week on these activities.

In addition to these activities, Harold may be compensated directly by an insurance carrier for fixed products such as annuities, life insurance, long term care and Medicare Supplements. He spends approximately 10 hours per week on these activities.

More information on his "Other Business Activities" is listed on Item 10 and Item 4 of the attached ADV Part 2B Supplement.

No representatives of the firm are compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

We have no disciplinary actions or complaints to disclose or report.

The firm will maintain a written business continuity plan to address standard business disruptions ("SBDs") and emergency procedures.

Please refer to Item 10 "Financial Affiliations and Activities" for any information related to our other business activities and affiliations.

Please refer to the Part 2B brochure of Form ADV regarding Mr. Green's educational and business background.

**Texas/Hawaii Advisors** - Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.



**ADV PART 2B: BROCHURE SUPPLEMENT**

**Harold Green**

1221 Kapiolani Blvd. Suite 320  
Honolulu, HI 96814  
808-521-4401

<https://brightfg.com>

**June 23, 2022**

This brochure supplement provides information about Harold Green (CRD# 6712300) that supplements the BrightTree Financial brochure. You should have received a copy of that brochure.

Please contact Harold Green, if you did not receive Mr. Green's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Green is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational, Background and Business Experience**

Harold A. Green, (CRD# 6712300) is an Investment Advisor Representative

### *Business Background/Education:*

Harold was born in 1973. He has over 25 years of industry experience since November 1996 and continuing course education along with holding his Series 63 and 65. He also holds the following industry designations; Chartered Life Underwriter® (CLU®), The American College, 2012. Chartered Advisor in Philanthropy® (CAP®), The American College, 2012. In addition, he also holds his life and health insurance license.

### *Positions held for the preceding ten years:*

- Founder and President, BrightTree Financial Group, LLC, 06/2019 - Present
- Investment Advisor Representative, Guardian Point Private Wealth Management, 06/2017 – 07/2019
- Founder and President, Fresh Start Financial, LLC, 07/2005 – 06/2019

### *Professional Designations:*

- Chartered Life Underwriter®, CLU®
- Chartered Advisor in Philanthropy®, CAP®

A Chartered Life Underwriter® (CLU®) has earned the premier credential in the insurance profession, representing eight or more comprehensive college-level courses covering all aspects of insurance planning, estate and retirement issues, taxation, business insurance, and risk management. For more than 80 years consumers have trusted this mark, which is conferred by The American College, a non-profit educator with the highest level of accreditation. The average study time for the program is over 400 hours and can take years to earn. Each CLU® must also complete a minimum of 30 hours of continuing education every two years, adhere to strict ethical standards, and meet extensive experience requirements, ensuring the knowledge you're counting on is both comprehensive and current.

The Chartered Advisor in Philanthropy® (CAP®) program provides financial advisors and planners with the knowledge and tools to provide high-level philanthropic and charitable planning to clients. It prepares advisors for advanced design, implementation, and management of charitable gift techniques, as well as philanthropic tools including charitable trusts, private foundations, donor-advised funds, pooled income funds, and charitable annuities.

## **Item 3 Disciplinary History**

There has been no criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Harold A. Green has been involved.

There has been no administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign regulatory authority in which Harold A. Green has been involved.

Harold A. Green has not been involved in any self-regulatory organization proceeding.

Harold A. Green has not been a part of any hearing or formal adjudication in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.

#### **Item 4 Other Business Activities & Investment Related Business**

Harold A. Green is the founder of Fresh Start Financial, LLC which was established in 2005. Fresh Start Financial also provides college funding services. He spends approximately 4 hours per week on these activities.

In addition to these activities, Harold may be compensated directly by an insurance carrier for fixed products such as annuities, life insurance, long term care and Medicare Supplements. He spends approximately 10 hours per week on these activities.

#### **Item 5 Additional Compensation**

Harold A. Green has never accepted economic benefits which include sales awards and other prizes. In addition, Harold A. Green has never accepted any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts for advisory services or assets under management.

#### **Item 6 Supervision**

Harold Green is responsible for all supervision, formulation and monitoring of investment advice offered to clients. Mr. Green may be reached at: 808-521-4401.

Harold Green reviews and oversees all material investment policy changes and conducts periodic to determine whether client objectives and mandates are met.

#### **Item 7 Requirements for State-Registered Advisers**

Harold Green has never been the subject of a bankruptcy petition nor has she ever been involved in any of the following events:

An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.